OFFICIAL REPORT
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Constitution, Europe, External Affairs and Culture Committee

Thursday 29 May 2025

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

18th Meeting 2025, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Alexander Stewart (Mid Scotland and Fife) (Con)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)
*Neil Bibby (West Scotland) (Lab)
*Keith Brown (Clackmannanshire and Dunblane) (SNP)
*Patrick Harvie (Glasgow) (Green)
*Stephen Kerr (Central Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jackie Baillie (Dumbarton) (Lab)
Rhodri Talfan Davies (BBC)
Luke McCullough (BBC Scotland)
Cristina Nicolotti Squires (Ofcom)
Glenn Preston (Ofcom)
Hayley Valentine (BBC Scotland)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 29 May 2025

[The Convener opened the meeting at 08:45]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning, and welcome to the 18th meeting in 2025 of the Constitution, Europe, External Affairs and Culture Committee. Under our first agenda item, does the committee agree to take item 4 in private?

Members *indicated agreement.*

Ofcom

08:45

The Convener: Under our next item, we will take evidence from Ofcom on its scrutiny of the BBC. We are joined in the room by Cristina Nicolotti Squires, Ofcom's group director for broadcasting and media, and Glenn Preston, Ofcom's Scotland director. I welcome you both.

I invite Mr Preston to make a short opening statement before we move to questions from members.

Glenn Preston (Ofcom): Thank you for the invitation to speak to the committee today.

I will quickly provide a bit of background information about Ofcom in case people are not familiar with us. We are the United Kingdom's communications regulator. We are independent of Governments and the companies that we regulate, and our duties are set out in statute. As you probably know, we have a wide remit, which covers fixed-line telecommunications, mobile services and the post spectrum, and we recently became the UK's online safety regulator. However, I think that the committee will be interested primarily in our work across the television, radio and video-on-demand sectors and, in particular, how it relates to Scotland's creative industries.

We have grown our presence in Scotland significantly in recent years. In 2017, we had about 24 people, as I highlighted during a previous appearance in front of the committee. Today, we have well over 100 people, who are based at our office in Quartermile in Edinburgh. That number covers colleagues working right across Ofcom's remit, including about 13 colleagues in Cristina Nicolotti Squires's broadcasting and media group.

The UK's blended model of public service broadcasting is admired across the world, with the publicly funded BBC, the publicly owned Channel 4 and commercially operated services such as STV and ITV. That model delivers well for UK audiences and is the bedrock of the UK's production community.

However, although the UK broadcasting sector continues to serve audiences well, it is in the midst of major change, driven by global trends and changing consumer habits. To put that in context, I note that the public service broadcasters spent £2.7 billion on first-run UK-originated content in 2023, whereas Netflix is expected to have spent £13.5 billion globally in 2024, and YouTube is expected to have spent closer to £15 billion. That, combined with information on viewing habits that show that those aged between 16 and 24 spend

less than a fifth of their viewing time with traditional broadcasters, gives a sense of the scale of the challenge that our broadcasting sector faces.

There has been a positive story of growth in Scotland's TV sector in recent years. Spend on external productions here has nearly doubled—the figure was £119 million in 2010 and £225 million in 2022—with local and global companies viewing Scotland as a place where they can make high-quality programmes across a range of genres. Indeed, today, Netflix is launching "Dept Q", a multimillion pound production that was filmed in Edinburgh, and we wish it great success.

Although inward investment is to be welcomed as part of a mixed production ecology, the role that global streamers and tech companies now play in bringing news and entertainment to the public means that it is vital that there is a level playing field for our public service broadcasters. To that end, the UK Media Act 2024 introduced the biggest change to the public service media framework in two decades, and our on-going implementation of the act will secure, among other things, appropriate prominence for public service players—such as the STV player appearing on smart TVs—to better enable them to compete. In addition, Ofcom's upcoming review of public service media will have financial sustainability at its heart, and we will continue to ensure that our wider regulatory framework continues to support growth and creativity for the benefit of audiences, broadcasters and the wider production sector across Scotland.

I will close by publicly congratulating MG Alba, which, as the committee is probably aware, won a couple of Prix CIRCOM awards, including the overall genre award, last week. That was an amazing achievement, with investment from MG Alba, Screen Scotland and others, and it was fantastic to see.

I will stop there. I look forward to hearing the committee's thoughts on our work over the course of the meeting.

The Convener: Thank you very much for those opening remarks. Ofcom contributes to the BBC charter renewal process. In which areas could the BBC, specifically BBC Scotland, enhance what it does for consumers and for those who produce content in Scotland?

Cristina Nicolotti Squires (Ofcom): Ofcom's role in the BBC charter renewal process is more of an advisory one, because, at the end of the day, this is about an agreement between the Government and the BBC. We are keen to ensure that the BBC continues to invest in productions here, so we welcome the news last week that the BBC will increase its production spend here and ensure that that continues. The Scottish production sector is a really important part of the creative economy, which is doing really well across the UK. Last night, there was a premiere of "Dept Q"—the trailer looked fantastic.

We are keen to ensure that the BBC, as part of its public purpose in its existing charter, continues to deliver great content for audiences right across the UK, whoever they are. We have noted on occasion that the BBC needs to work a bit harder to ensure that it makes content that appeals across different age groups—for example, we know that it struggles with younger viewers—and there have been some challenges with the BBC's connection to those from lower socioeconomic groups.

We will be part of the charter renewal process, but the final decision will, of course, be made by the Government and the BBC.

The Convener: How do you view the balance between the need to be commercially and financially viable and the fact that public sector broadcasters can do things that commercial operators would not normally do?

Cristina Nicolotti Squires: It is important to note that public service broadcasting—that includes STV, the BBC and Channel 4—is a really important part of the creative economy. Investment, risk taking and the creation of new genres of programmes are needed, because people do not leave film school and suddenly become able to direct a Hollywood movie. A talent base is being grown in this country, and that is bringing in great revenue, but the situation is challenging. In relation to the financial models, advertising in broadcasting has gone down tremendously and audiences are fragmenting. Those are real challenges for the industry.

We try to balance financial sustainability with the provision of great content that audiences want and that reflects their lives. For example, although news programmes have never made money, they are really important for democracy and in ensuring that local people feel connected.

The Convener: Thank you.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning. The BBC has described current Ofcom quotas as complex, and it acknowledges that it is possible for a project to qualify as Scottish even if it only has a production office located here. In relation to the Scottish quota, how can Ofcom ensure that commissioning by the BBC and Channel 4 delivers unambiguous economic and creative growth in Scotland for the next decade?

Glenn Preston: We saw the BBC announcement last week that you are referring to.

The nations director talked about a change in approach, particularly on the issue that you mentioned about a production company's substantive base—where it is headquartered. We welcome that decision by the BBC. That announcement was focused on ensuring that, in the future, the BBC looks to meet at least a couple of the criteria in most cases, although it realises that this is a complex area, so there might be times when some nuance is needed. The BBC wants to achieve a position in which the money that is spent in Scotland stays in Scotland. That is the overall aim, and Screen Scotland has been calling for that, so we welcome the announcement.

The guidance is complex—I make no bones about that—but it is drawn in that way because the sector is quite complex. The funding arrangements are very complex, so the guidance involves a lot of nuance. We try to create guidance that is as flexible as possible, that responds to the complexity of the sector and that encourages people to invest and make things in Scotland, but we also want to allow Scottish companies to invest in other parts of the UK while still being able to qualify as a Scottish production.

Cristina Nicolotti Squires: The sector is facing real headwinds from global platforms and streamers, and the cost of production has gone up, so we are keen to ensure that our regulatory powers are proportionate. We want to help companies to be as flexible and innovative as they can while ensuring that the local economy benefits.

Alexander Stewart: Do the changes in approach to BBC commissioning for Scotland, Wales and Northern Ireland confirm that the BBC has not always played with a straight bat in this process and that the corporation has failed to act in accordance with the spirit of Ofcom's rules?

Cristina Nicolotti Squires: I will not answer for the BBC, because the committee is taking evidence from it later today. The BBC is still valued by people in Scotland. Our research shows that something like 83 per cent of adults use it every day or across the week. Based on the criteria that we set, the BBC is meant to spend 8 per cent of its spend in Scotland, but it has actually spent 9 per cent. It has been doing that, but I welcome the fact that it is extending its determination to spend more money locally.

Glenn Preston: I will make one additional point. Our "Made Outside London programme titles register 2023"—I think that that is what your question refers to, Mr Stewart—showed that there were, I think, more than 700 returns. Over the past few years, the BBC has made about 50 per cent, or just over 50 per cent, of those returns. The register just shows individual titles; it does not provide information on hours, spend and so on. It is worth saying that nearly 90 per cent of those BBC returns meet at least two, if not three, of the criteria, so we have to understand that a fairly small number of productions qualify only on the grounds of their substantive base. That is important context, and we need to be clear about that.

Alexander Stewart: There will be changes to BBC and Channel 4 production costs and production quotas as a result of the Media Act 2024, which will have an impact on how things are managed. How will Ofcom ensure that PSBs continue to work with producers in Scotland under the new regime?

Cristina Nicolotti Squires: We are committed to ensuring that those broadcasters deliver what they are supposed to deliver. We produce annual reports on the performance of Channel 4 and the BBC, and, if we think that they are not delivering what they should be, we call that out. As Glenn Preston said, we have a lot of people based in Scotland, and they spend a lot of time talking to local production companies and having their ears to the ground, so we know what is going on before official investigations. As you know, we are in the midst of implementing the Media Act 2024, and we will be holding everyone to account.

Glenn Preston: As the committee might be aware, as part of Ofcom's governance arrangements, we have a statutory advisory committee for each of the UK nations, including Scotland. Our advisory committee for Scotland went to see Channel 4 at the tail end of last year. The committees tour around different parts of the UK to meet people in the industry and other organisations that are interested in Ofcom's regulatory duties. The purpose of the committees is to give us advice on regulatory issues that we will have to consider, including how in-house production works. The committee for Scotland spent time with Channel 4 and talked to it about its thinking in that regard.

It is fair to say that it is still early days, so we are not yet clear about how everything will pan out, but we have ears and eyes on the ground in Scotland. Those people engage directly with the industry and the production sector to ensure that we listen to what people are saying—the things that they are excited about and the things that they think could be challenging.

Alexander Stewart: Thank you.

George Adam (Paisley) (SNP): Good morning. I want to ask about your radio remit. As I think you are aware, I have an interest in that. I am old fashioned—I still listen to the radio, and I believe in the Queen song "Radio Ga Ga". The radio is always there to listen to.

One of my biggest concerns is that, since about 2018, there has been a systematic loss of the Scottish voice on radio in Scotland. In the guidelines on programming and sharing between the regions, there is a reduced requirement for local content, which has given some of the big broadcasters the opportunity to become very London-centric and network everything. The Media Act 2024 does not help Ofcom, because it effectively makes you even more toothless in that situation. How can Ofcom justify its role as a public service regulator when it has systematically allowed the collapse of local radio in Scotland through deregulation and consolidation? My question is: what is the point of Ofcom?

09:00

Glenn Preston: That is a fairly existential question. I do not recognise the characterisation of Ofcom as "toothless". I really do not think that that is the case, but you—

George Adam: I am shocked by that, because, having kept an eye on the issue, I have not seen any enforcement or regulation, as station after station has networked more and more. Okay, you no longer have the powers to do that, but you had them in the past and that made no difference.

Glenn Preston: You recognise the fact that the UK Parliament has passed an act that is essentially about deregulation. You are right that the fact that we can no longer require things of commercial radio in particular is because of deregulation.

George Adam: You did not do it in 2018. Effectively, there was a change to the localness provision in 2018. You had the power, but you did not use it.

Glenn Preston: That was on the basis that deregulation was coming—it was already proposed.

Local commercial radio in Scotland is thriving. It has a bigger reach than it has in England or Wales. Commercial radio is proving to be incredibly sustainable and strong. The most listened to radio stations in the central belt and north of Scotland are Clyde 1 and Moray Firth Radio. I recognise your point about those stations doing more networking, but Global, for example, returned to a full-time Scottish schedule in 2023 immediately after that, because audiences had stopped listening.

George Adam: Yes—Global pulled out of Heart and Capital, and then a few years later it came back, had a meeting with me and said, "You were right, George, we lost our audience—it tanked." However, the crux of my question is about the fact that broadcasters could effectively shut down local radio in Scotland tomorrow and Ofcom could not do anything about it. The broadcasters could just network.

Currently, the breakfast show on what was formerly Clyde 2 and is now called Greatest Hits Radio, is the only Scottish content. We get news all the time, but that is the only Scotland-based show, and it is based in Glasgow. Moray Firth Radio and Forth 2 have lost their breakfast shows, so we have lost the local voice throughout the country.

When you, as the regulator, had the power to do something, why did you not make any inroads to try to stop that? You just said that deregulation was happening. You should not have accepted that.

Cristina Nicolotti Squires: I was not around at that time but, at the end of the day, as a regulator, we have only the powers that are given to us by Governments. At the moment, there is no requirement for stations to produce the sort of locally created shows that they used to produce. However, in the Media Act 2024—as a former journalist, I am particularly passionate about this—there is a requirement for them to provide locally gathered news content, which is really important. We are beginning our consultations on that. From my point of view, that is really important, because local radio is important to local democracy.

On what is in the 2024 act and how it has been construed, Ofcom has made representations but, at the end of the day, the law is decided by Governments and we can only enforce with the powers that we have.

George Adam: On the back of the Media Act 2024, what powers do you currently have to enforce Scottish output on local radio?

Cristina Nicolotti Squires: As I said, deregulation means that radio stations are not required to have the same formats as they had before, but there is a requirement for them to provide locally gathered news for their audiences. We are in the process of drawing up a consultation on how to define locally gathered news and on what is the appropriate amount of locally gathered news. We will put out that consultation at the beginning of next year and take responses from everybody—I am sure that there will be plenty of them—and then we will have to draw up some guidance and enact some powers.

George Adam: Can you understand the situation in Scotland? Radio Clyde was the first commercial station outwith London—I think that it started in 1970—and that created a whole generation of broadcasters and talent who probably would not otherwise have had that career and opportunity. For young people trying to get into broadcasting, radio was often used as a way

in, but that will not happen in Scotland any more. It will be extremely difficult, if not impossible, for someone to do that.

Cristina Nicolotti Squires: It is important, however, to point out that audiences and formats are evolving. These days, many people still listen to some live radio, but they are consuming podcasts. I think that, last week, STV announced that it is launching a radio station. If there was not a thriving radio sector in Scotland, it would not be doing that. I do not know much about its exact plans, but I know that it plans to do live broadcasting as well as podcasts. STV is a big company with a lot of possibilities.

George Adam: I am extremely interested in that, because that proves that there is a market. STV is doing that from an advertising point of view. The chief executive has said that it allows advertising throughout the day. Mornings on the radio are very good for advertisers, and they can be on television in the evening. However, that is not what we hear from local radio stations as they network more and more—they say that they cannot sustain that. That is the argument. Why would a major player such as STV say that it is doable when we get a completely different story from local stations? As the regulator, what have you done? You are part of the reason why we do not have Scottish voices on Scottish radio at the moment.

Cristina Nicolotti Squires: I would say that the reason is to do with the Government rather than the regulator.

George Adam: In 2018, you had the power. Well, you personally were not at Ofcom, but the powers were there and Ofcom did not use them.

Glenn Preston: At the time, around 2017 and 2018, when deregulation was first on the table, there were still requirements on radio to deliver to their licence formats.

Cristina Nicolotti Squires: Yes—we enforced those. I can provide the committee with evidence of that. I do not have that to hand, but I know that we enforce against local radio and have done in the past. It might not necessarily have been enforced—

George Adam: Can you tell me about one time where there has been enforcement in Scotland?

Cristina Nicolotti Squires: I cannot do that off the top of my head, but I can make sure that the committee—

Glenn Preston: Sorry—I did not hear the question.

George Adam: Can you give one example of a time in Scotland when you used the enforcement powers and said to a broadcaster, “You can’t do that,” or, “You must do this”?

Glenn Preston: I do not have a specific example but we have certainly had—

George Adam: Just one.

Glenn Preston: I know that we have had conversations about whether stations were meeting their licence formats over the past few years, so I am happy to come back to you on the specifics.

George Adam: Okay. I will be interested to see that.

For me, that issue is an example that shows why broadcasting should be devolved to the Scottish Parliament. Do you agree that, if the regulator was more Scotland-focused and reported to this place, as opposed to Westminster, that would be better for the Scottish broadcasting landscape?

Glenn Preston: There are a couple of points there. Post the Scotland Act 2016, Ofcom is legally obligated to be accountable to Holyrood, just as we are to all the legislatures in the UK. Our governance has the nations’ interests baked into it. For example, the Scottish ministers appoint a member of the Ofcom board. We have a content board that looks at all our broadcasting and media issues and that has a Scotland member. We have just announced Peter MacMahon, who will be known to many of you, as a member of our content board, which brings advice into the organisation already. In answer to Mr Stewart’s question, I mentioned our advisory committee, through which we have broadcasting expertise giving us advice on the development of our policy and regulatory conventions.

George Adam: If we are looking at the Scottish context and looking for Scottish voices in the Scottish media, would it not empower you as a regulator if you reported to the Scottish Parliament on a Scottish context through the devolution of broadcasting?

Glenn Preston: You would expect me to say this, because we are an impartial independent regulator, but that question is not for Ofcom—it is up to the Governments and Parliaments to tell us how they want to do it.

George Adam: Yes, but I want to take the politics out of it. You will probably find some members here who do not agree with me on the end game for Scotland in future but who will agree with me that we are not looking at broadcasting through a Scottish prism. From that perspective, I am not trying to make political headway; I am just trying to say what I believe should be the way forward and what is best for Scottish broadcasting.

Glenn Preston: On the Scottish prism point, I hope that I have demonstrated that we have that type of representation already in Ofcom and that we are accountable to the Scottish Parliament. We cannot offer a view on the question of devolution. If Governments and Parliaments decide that they want to do that, it would be our duty to take it forward.

George Adam: You have made a fist of it, Glenn, but Ah'm no convinced.

Stephen Kerr (Central Scotland) (Con): George Adam is not a fan of regulators in general, I think, and I am afraid that I join him in that. The Westminster Parliament gives regulators powers, but I am unconvinced that they use their powers. I think that George Adam has made a very strong case for that in connection with what is happening with radio broadcasting in Scotland. At the end of the day, the reason why we have a regulator is to make sure that the marketplace is fair and that it fairly reflects what Parliament—Westminster in this case—has regulated for you to enforce.

I did not think that the answer that you gave to Alexander Stewart was particularly convincing. Instead of talking about ensuring that the 8 per cent of programming that the BBC is required to make in Scotland is made in Scotland by local production, it sounded like you were creating a massive loophole by talking about nuance and flexibility. How committed is the regulator, Ofcom, to insisting that that 8 per cent is not just a tick box for the BBC and that the programme is actually being made by locally based production companies? I did not hear any assurance in response to Mr Stewart's question that that was your intention at all.

Cristina Nicolotti Squires: That is our intention. We can have differing views. We welcome the fact that production in Scotland has flourished over the years. We have to make sure that, as well as providing a regulatory framework, we do not stifle innovation and creativity. Production companies tend to have just a few people as permanent staff. Quite a lot of production companies will have two or three people who are based here and then, when they get a commission, they will start hiring people. You do not need to be an expert to know that it is much better to hire people locally than to be driving or flying them all the way up from London all the time.

Stephen Kerr: That does happen, though, doesn't it?

Cristina Nicolotti Squires: It has happened in the past, but let us take "The Traitors" for example, which I am sure somebody will want to talk about.

Stephen Kerr: I am surprised that George Adam did not mention it, because he has talked about it in the past.

Cristina Nicolotti Squires: There had not been a high-end reality programme made in Scotland before. Studio Lambert decided that it wanted to film it in Scotland. The first series became incredibly popular and it brought in people who had done reality TV programmes before, because no one in Scotland had made one before. That is just what the situation was. We still do not have all the exact information for the following series. There was an error made about the reporting of the production and the make-up of it in the first series, but undoubtedly "The Traitors" has put Scotland and Scottish production right on the map.

Our understanding from the BBC and Studio Lambert is that, as each series comes, more people are being hired locally. Scotland has now shown the world that it is a place where high-end reality programmes can be made. If we had been restrictive and said to Studio Lambert, "We are sorry—you can only make this first series in Scotland with very narrow conditions," it might not have come here and it might not have brought anyone with it and taught things. There is a balance.

Stephen Kerr: I hear the rationale and understand it, but what will Ofcom do to see that that happens? At the end of the day, as Scottish parliamentarians, we are interested in creating a sustainable creative industry in this segment in Scotland rather than something that flies in, makes a programme and flies out. What are you going to do?

Cristina Nicolotti Squires: We will make sure that the BBC delivers on what it said that it was going to do and that the numbers are accurate when they are being reported. We will scrutinise as each series comes in.

Stephen Kerr: So I misheard all this language of nuance and flexibility and headwinds as a get-out-of-jail card for the BBC.

Cristina Nicolotti Squires: You did not mishear it. As I said, as with all regulation, we do not want to make it hard for Studio Lambert to come here to make the programme. We want it to carry on doing it in Scotland, but we do not want to be saying to it, "Series 4 has to have nine cameramen from Scotland and only one from England."

Stephen Kerr: No, I understand that.

Cristina Nicolotti Squires: It might turn round to me and say, "We really wanted to have nine but, at the moment, we cannot find a ninth and we will have to have eight." That is the nuance and the realism that we are talking about.

Stephen Kerr: No, I get that. Let me ask you, from an Ofcom point of view, about the BBC charter, article 14 of which talks about ensuring the

"authentic portrayal and representation of the diverse communities"

as part of BBC programmes. What is your definition and standard against which you measure the BBC's compliance with article 14?

Cristina Nicolotti Squires: We do a report every year on the BBC's performance on all its public purposes and missions. On the next charter going forward, what is the wording of that and—

Stephen Kerr: What is Ofcom's interpretation of that wording currently? You are the regulator, and I presume you have interpreted article 14. What is your interpretation?

09:15

Cristina Nicolotti Squires: Our interpretation is that every year, as I said, we do a review.

Stephen Kerr: No, what does

"authentic portrayal and representation of the diverse communities"

mean? What programming, what tangible measurement? I know that you are reporting—I get that—but what is your tangible measurement? How do we know whether the BBC is fulfilling article 14 in a Scottish context?

Cristina Nicolotti Squires: Well, we called out in previous years that we still think that the BBC is struggling with younger audiences and with lower socioeconomic groups.

Stephen Kerr: So it is failing in that.

Cristina Nicolotti Squires: It has more to do in that area—that is how I would put it. There is not a metric.

Stephen Kerr: Forgive me, but the answers that you are giving are too vague. There is a specific here. I do not know that Ofcom has a measurable interpretation of

"authentic portrayal and representation of the communities",

so that you can say, yes, the BBC is doing that or the BBC is not doing it. That is at the crux of the "River City" stuff, by the way. It is important that Ofcom clearly articulates what article 14 means.

Glenn Preston: I think that we do. The annual report that we have to produce on the BBC looks at how it delivers the mission and public purposes that cover the things that you are talking about and whether it is meeting the operating licence requirements for individual public services. We assess that by talking to audiences. We have not really spoken much about audiences. We ask audiences whether people hear their voices, see their lives and those sorts of things; that is how we define this stuff. We come to Scotland and do focus groups and omnibus surveys.

Stephen Kerr: What are audiences saying?

Glenn Preston: Exactly what Christina Nicolotti Squires said, which is that, on the whole—

Stephen Kerr: Are they happy with it?

Glenn Preston: No, I would not go as far as saying that they are happy. On the whole, the BBC is delivering on its remit in these areas. However, as Christina said, there is scope for improvement in some areas, particularly around how we serve younger audiences and D and E social classes. Our job is to say to the BBC, "This is what the audiences have told us. You need to demonstrate how you will change." That is the type of thing that we will be reporting on later this year, having told the BBC in previous years that it needed to up its game in that area.

Stephen Kerr: We will watch for that with interest.

I have two more quick questions if the convener's patience allows it. We cannot talk about TV and radio, or about one segment of broadcast, without talking about all the platforms that now exist. Does Ofcom have powers to properly protect children from harmful or age-inappropriate content online?

Glenn Preston: Yes.

Stephen Kerr: Are you using them?

Glenn Preston: Yes.

Stephen Kerr: What have you done?

Glenn Preston: Since the Online Safety Act 2023 was passed, we have been required by the UK Parliament to put in place a couple of regimes around illegal harms, particularly focused on the protection of children.

The online safety process is not a takedown regime. It does not give Ofcom powers to reach into platforms and say that they have to take particular content down. It is a systems and processes regime. It is about ensuring that companies have all the right preparation and systems in place to stop that content appearing on it in the first place. The act requires Ofcom to produce guidance to tell companies how they can go about doing that.

Stephen Kerr: But it gives Ofcom no powers to enforce it.

Glenn Preston: No, it does. You have asked what we have been doing and we can share all this with the committee. We have been sharing

this with different Scottish Parliament committees over the past 12 or 18 months. We are required to consult on the guidance that we apply to companies and we have done that on illegal harms. The guidance deals with issues such as terrorism, child sexual abuse and exploitation, and the child sexual abuse material that you may see online. It is all out there and available for people to see.

Stephen Kerr: What about pornography?

Glenn Preston: Yes, pornography as well. We did those two things slightly separately. We did the illegal harms piece first because that is what Parliament required us to do. Then we moved on to the child protection piece. Both pieces of guidance have been produced and are now reaching the enforcement stage. Companies have to demonstrate to us by July of this year that they have the systems in place. If they do not do that, that is when we can come to enforce. There are different disruption measures. Some of them involve fines, which can be up to 10 per cent of global turnover, so they are significant sums of money.

Stephen Kerr: Does that reach beyond the United Kingdom?

Glenn Preston: Yes. The act applies within the UK and it relates to UK users and user-to-user services.

Stephen Kerr: It applies to users in the UK, but content might be produced on a platform outside the UK. Do you have powers over those sites?

Glenn Preston: The act only extends to the United Kingdom, but we can still fine a company for things that are happening to users in the UK. It is still possible for us to fine a company—

Stephen Kerr: What is the ultimate sanction that you could take against a company?

Glenn Preston: This is the point. There are other disruption measures. Fining is an option, but we have other business disruption measures. We can go to the courts to seek to stop things such as payment systems or, ultimately, a website, for example, being available in the United Kingdom. We can go to that level if it is necessary and we are concerned that the harms in the areas that you have identified are such that UK users can no longer access that content.

Stephen Kerr: That is another thing that we will want to watch the development on. As you can probably tell, I have strong views about what children can currently access online.

My final question is about Royal Mail. There is a bunch of stuff going on with Royal Mail. You will understand that constituents regularly tell me how poor the Royal Mail service now is in certain parts of my constituency and indeed in wider Scotland—particularly in rural and remoter areas but also in urban areas. What powers does Ofcom have to enforce the universal service obligation that Royal Mail is currently, I think, paying lip service to?

Glenn Preston: I do not know whether you have seen this, Mr Kerr, but last week we announced an investigation into Royal Mail for not meeting its quality of service targets. In the past two years, we have fined Royal Mail for not meeting its quality of service targets and we have just started an enforcement process since Royal Mail announced that it has not met its quality of service targets again. Those are our mechanisms.

We have been looking at the sustainability of the universal service obligations. I and one of my group directors will be before the Scottish Affairs Committee at Westminster to talk about exactly these issues in a couple of weeks. We will have to reach a view on whether we think there need to be changes to the universal service obligations.

Stephen Kerr: You have already said—and I refer to the announcement that you referred to—that the universal service obligations urgently need reform. I think that that is a quote from what Ofcom said. Do you want to elucidate on what "urgently needs reform" means? Some of the ideas that have been floated around this issue are, for example, that second-class letters would not be delivered by a certain time or on certain days or that the service would not be six days a week—all kinds of further retreats from the universal service obligation. What does it mean?

Glenn Preston: This is fundamentally about whether the USO is a sustainable thing and whether it is affordable. It is quite old. We have to face that. We have looked at a lot of European and other international models. I think that either the Swedes or Danes have just done away with their universal service obligations, recognising that there has been a massive shift in how people communicate. At the heart of this is what people tell us they need. We talked a bit about the audience point in relation to broadcasting and we have similarly researched user needs for the postal service.

I will be frank with you. When I first looked at those user needs, I expected people in rural and remote communities in particular to say to us that the USO has to stay as it is. They did not say that. We published all the research. What users said was that the quality of service has to be good and it has to be reliable. They are less bothered by things coming less frequently, but they want things to actually turn up, particularly hospital appointment letters, for example. We must look at those issues and ask, first, to what extent the universal service delivers on them and then how we will hold the Royal Mail to account.

Stephen Kerr: So the "urgently" needed reforms that Ofcom identified are around consistency and reliability.

Glenn Preston: Reliability. That is exactly right.

Stephen Kerr: It is about reliability—absolutely.

Glenn Preston: I will add to that. This is not just a rural and remote problem.

Stephen Kerr: No.

Glenn Preston: It is also an urban problem. We have had correspondence with Kaukab Stewart in her MSP capacity in the past few weeks about the G1 to G5 postcodes, because people were not getting the service that they needed.

Stephen Kerr: No.

Glenn Preston: The urban experience was exactly the same as that in remote rural areas.

Stephen Kerr: We have an excellent postie in our street, but I can tell you that the man is weighed down because of what he is expected to do. We now get mail at all hours of the day and night. Something is changing. The need for predictability and reliability has to be reinforced.

Glenn Preston: That is exactly the space that we are occupying.

Stephen Kerr: Fair enough. Thank you.

The Convener: Can you influence what happens on the big social media sites, such as X, Instagram and platforms like those?

Glenn Preston: The Online Safety Act 2023 requires all social media platforms—those you have mentioned and many others; the 2023 act catches a lot of services—to have in place systems and processes that comply with its requirements. Ofcom enforces those requirements. In the UK, all those organisations must comply with the act's requirements.

The Convener: I realise that there is now a 24-hour news cycle and that people have access to material such as that on the horrendous incidents in Liverpool at the weekend. The police asked that people stop sharing what was very difficult content that, as Mr Kerr says, was accessible to any young person or teenager online. Do you have any ability to quickly take such content down?

Glenn Preston: I reinforce the point that ours is not a content take-down regime. Neither the act nor Ofcom's powers allow us to step in and say that particular pieces of content have to be taken down. We need to be clear about that. The regime covers the systems and processes that the platforms have in place to stop such content from going up in the first place.

I can say a couple of things. Following the horrendous Southport attacks last year—that was before the Online Safety Act 2023 had taken effect and before we had powers to allow us to intervene in such issues—we looked at what had happened. There were examples of what you described: content had gone up that triggered unrest and violence. We have published our findings, and if you have not seen them we are happy to share them with you. We think that the platforms were slow in acting and understanding what was going on.

The interesting thing about the horrendous scenes in Liverpool is how quickly the authorities came out to say, "Do not do this. Do not share this," exactly because of the learning from Ofcom's research and findings to encourage not just the platforms themselves but everybody involved in responding to such an incident to work together to make sure that it is dealt with as safely as possible.

Neil Bibby (West Scotland) (Lab): There have been consistent calls on Ofcom and the BBC from the Scottish screen sector to increase the share of production in Scotland. Mr Stewart earlier said that the BBC's change of tack, announced last week, maybe suggested that it was not adhering to the spirit of Ofcom's guidance. That is one way of looking at it. Another way of looking at it would be that the BBC's decision suggests that Ofcom's rules on Scottish qualification have been, to quote you, too flexible to ensure that the projects that the BBC commissions deliver value for money in Scotland. Is that right? Could "too flexible" mean too weak?

Cristina Nicolotti Squires: I think that the results speak for themselves. The production sector in Scotland has been very successful. The industry is having a very difficult time all around the UK at the moment, with audiences fragmenting and the tech giants coming into that space as well. There is real pressure on the industry.

We like looking at numbers. There are now 51 active production companies making content in Scotland. There were about 32 in 2014, so evidence shows that the production sector here is flourishing. Our guidance is guidance. As Glenn said, for the vast majority of what the BBC does here it sticks to two out of three of the criteria, but we welcome the fact that the BBC is going further. It is about ensuring that the BBC sticks to its remit and public purpose and that audiences see themselves reflected on screen, which is hugely important and something that we welcome and encourage. There will be different viewpoints, but the evidence is that the industry is doing well while facing the same headwinds as others. I note from a recent survey that the production sector is struggling less in Scotland than in other parts of

the United Kingdom. It is flourishing. It is going well and I would say that that is quite good evidence that the guidelines are working.

09:30

Glenn Preston: I will add a couple of thoughts. I have been in front of the committee before to talk about regional production. We reviewed our guidance in 2017-18 and then updated it. We recognised that the guidance needed some tightening up, including on how the returns were done, how we reported and what happened if people felt that they wanted to report concerns about numbers. We gave effect to all that in 2021, having done the work across a couple of years, recognising the long lead times for broadcasters and production companies in producing content. The revised guidance has been in place over the last three or four years and on the whole it seemed to be working pretty comfortably. Then we had the couple of instances that Cristina mentioned—we talked about "The Traitors", for example—where people started to express concern. We have said that we want to implement the Media Act 2024 and focus on its provisions, but we are happy to look at the guidance if there is a feeling that it needs to be changed again.

Neil Bibby: Thank you. Does the BBC's change of tack and position highlight the need to look at the guidance again?

Cristina Nicolotti Squires: At the end of the day, it is the results that count rather than how we get somewhere, and we welcome the BBC's decision to increase production. As Glenn said, we are implementing the Media Act 2024. Let us let that settle down; let us see how it is working with the various tech giants and maybe have a look at it again in a couple of years' time when the 2024 act has been implemented properly. I am not ruling out looking at guidance again.

Glenn Preston: I do not think that the BBC's announcement suggests that the guidance needs to be reviewed immediately. It is an interesting and good announcement. First, the reality is that the vast majority of what the BBC in particular does already meets at least two, if not three, of the criteria. That applies to nearly 90 per cent of what it does. The number of shows that you would be talking about is very small. I think that it is positive that the BBC says that it is listening, will be doing things differently, and wants to meet two of the three criteria.

I am nervous that being overly prescriptive risks disincentivising investment. I worry about that. Cristina gave the example of "The Traitors" and Studio Lambert and there will be other production companies that think the same way. The broadcasters are bound by the rules and they have to work with the production companies to help meet them. If the regulator is reaching in and telling them who they should be employing and where they should be making things, I worry that that disincentivises investment. I want companies to come to Scotland and make stuff and use local people to do so. Equally, I want Scottish companies to be able to go and make something in other parts of the UK. I think that there is a real risk, if we become overly prescriptive, that we disincentivise them from doing that.

Neil Bibby: You mentioned the importance of audiences seeing themselves on screen. In response to Mr Kerr, you talked about the BBC needing to do more to build support among audiences with above-average economic and social needs. Presumably, BBC Scotland cutting a drama like "River City", which is about a working-class community and voices, will make the situation worse. Have you or will you be looking at that decision?

Cristina Nicolotti Squires: Definitely. At the end of the day, however, we do not tell the BBC what to do editorially. The BBC has to decide how to spend its public money and what to produce within the quotas and the guidance that we issue. The BBC made a commercial decision to end "River City". Its audiences were going down. The BBC needs to spend its money where the audiences are and younger people are no longer watching linear TV. The BBC has announced plans to spend the "River City" money elsewhere, and we will be making sure that it reflects all socioeconomic groups in Scotland and elsewhere. It is up to the BBC to decide how to do that. We would not be prescriptive and say, "You must make this programme at this time of day." It is important that the BBC can be innovative. Audiences now are fragmented in a way that they certainly were not when I started my broadcasting career. It is important that the BBC creates content where people are getting it.

Neil Bibby: It is clear that the BBC still has a lot of work to do for younger audiences as well as for those with above-average economic and social needs.

Cristina Nicolotti Squires: That is what we have found and what we have been hearing from people. I cannot predict what the effect will be. Once the BBC has done a year without "River City", we will have to see what people tell us. This is about what audiences want and the audience for that particular programme has been declining over the years. We all know that the audience for linear TV is declining rapidly and the BBC has to make content where people are watching it.

Keith Brown (Clackmannanshire and Dunblane) (SNP): It is useful to think about examples of what Ofcom could be, and I am

thinking about Canada. I think that it was Pierre Trudeau, Justin's dad, who said that being in Canada is like being "in bed with an elephant", because its southern neighbour is 10 times its size and the danger of complete cultural overspill is huge. Canada had quotas for the numbers of university lecturers who had to be Canadian. A dark secret from my past is that I was a radio DJ in Canada, which sounds a bit grand, but it was on Sunday night campus radio. I was obliged to play a certain number of Canadian songs during the course of that two-hour programme.

We can contrast that with what Ofcom is doing here. We have heard lots of talk about "nuance" and "guidance" and maybe increasing it and so on, but Ofcom agreed with the BBC last year when it decided to reduce news output in Scotland by, I think, half, from 250 hours to 125 hours. George Adam mentioned what has happened to radio in Scotland. It does not feel like local radio any more. I started campaigning in 2007 to have Scottish football matches free to air. It took a long time to get anywhere, and when it did we had the absolute fiasco of the Greek match, where the sound and the covers did not work because the BBC was so out of touch with doing that. Channel 4 has no target for Scotland and you seem to be content with that. I understand that Ofcom is a creature of the UK Parliament and if the UK Parliament decides that you will be toothless, as George Adam put it, that is what you have to be and work with.

Let me ask you this. You may have covered this and it may have been in the briefing, but I could not see it. What has the BBC's record been like on the 8 per cent spend and hours quota that it is asked to deliver in Scotland? I heard your explanation about "The Traitors" earlier, but it is not Scottish in any meaningful way apart from the venue where it is filmed. What has the BBC's track record on the 8 per cent requirement been over, say, the last five to 10 years?

Cristina Nicolotti Squires: I do not have data going back that far in front of me but I can provide it. I know that the BBC has met the quota in the last couple of years.

Glenn Preston: It is an obligation. It is important to say that. The 8 per cent quota for spend and hours in Scotland is part of the operating licence that Ofcom sets for the BBC. Cristina is right. Bear it in mind that we did not regulate the BBC until 2017, but over the last eight years there has been no instance of the BBC not meeting the 8 per cent obligation.

Keith Brown: What counts? I forget what the obligation is. Is it production based in Scotland?

Cristina Nicolotti Squires: There are three elements, the "substantive base", the "production spend", and the "off-screen talent". They are the three buckets, if you like, of criteria.

Keith Brown: When we had the cast and employee representatives of "River City" here, the point was made that the BBC was essentially doing away with what might almost be called a cultural college, where sound recordists, camera people, production staff, actors and actresses could get their start in Scotland. That is going by the board, and it seems like a huge loss.

I want to go back to the example of "The Traitors". You said that there was no history in Scotland of having—I forget your term for it.

Cristina Nicolotti Squires: A high-end reality show.

Keith Brown: A reality show, yes. The fact that we did not have the talent to do that show is a condemnation of the track record, and it is compounded by your saying, "We will allow BBC"—or whoever produced it—"to do it this way, because they do not have the staff there." However, that is what happens when you do not invest. Is that not the purpose of it? I would have thought that Ofcom would have had a vested interest in ensuring that the cultural capacity of the media in Scotland was sustained and sustainable. "The Traitors" is an example of the fact that that did not happen—you did not have people involved in that.

Is cultural capacity part of your remit? Are you concerned about its decline? I am talking about all the skills and trades, as well as the actors. I will let you answer that question and then come back with one more.

Cristina Nicolotti Squires: I am not convinced that there has been a decline, necessarily. The numbers show that the production capabilities in Scotland have, as Glenn Preston has said, doubled over the past few years.

Keith Brown: But there is not a single person with the ability to do high-end reality shows.

Glenn Preston: Well, it is not that there is not a single person. I think that you are right that the numbers are small, but there are unquestionably people who are capable of doing that. I guess that part of the point of wanting "The Traitors" to be made here is to get that pipeline going and have the talent to be able to do more and more of that sort of thing so that, when something becomes a returning series, you will have more locally based people making that content.

Cristina Nicolotti Squires: I am trying to think how long high-end reality TV has been going—it depends, I suppose, on whether you call "Big Brother" high end or not—but such programmes are probably only about 15 years old.

There is a skills shortage in Scotland, and the production companies need more people with skills. Whatever the BBC decides to spend its "River City" money on—if I can put it that way—it will be in its own interest to ensure that there is a continuing pipeline of emerging talent with the skills that Skills Development Scotland, Screen Scotland and this Government have been investing in. It does not help the BBC at all if those skills are not here, and a continuing pipeline of talent and a continuing training scheme will be important for whatever new programmes the BBC makes.

Channel 4 has invested a lot in skills training in Scotland, too. At the end of the day, there is a commercial reality, and it is good and beneficial for the companies to make sure that the skills are here.

Glenn Preston: I have another thought to add. We will want to see what comes next. You will have witnesses from the BBC here shortly, so I guess that you can ask them about this, but I think that there has been talk of more formal announcements being made in the autumn, particularly on the issue of the training academy, as you have described it, from "River City", which it can continue to focus on in order to develop people for the sector.

I saw a good announcement yesterday. I do not know whether you know TRC Glasgow Limited, but it is a brilliant Glasgow-based company that trains people for and encourages them to go into the production sector. We meet it quite regularly; it has received investment from Screen Scotland, BBC and, indeed, Channel 4, which Christina Nicolotti Squires just referred to, and yesterday it made an announcement about this very issue of how we encourage into the industry people who, typically, might not come to it and about its new programme, which has been co-funded by those investment partners.

So, I think that some action is happening in this area, but we will definitely want to keep shining a light on it and watching what the BBC plans to do.

Keith Brown: Is that the extent of your role? I talked to the folk from "River City" who were here about this, but the BBC seems to have a symbiotic relationship with Netflix and other streamers, in that, notwithstanding what has been said about skills shortages, its expenditure, its experience and the capacity that it creates are very useful to Netflix and others when they consider coming to Scotland. Does it not seem sensible to try to get those different players around the table and get them to agree on some proper way of creating a stream of that talent, whether it be production assistants, camera people and so on? Is that not part of your role?

Cristina Nicolotti Squires: Part of our "Review of Public Service Media", which we will be publishing in the middle of July, looks at the role of streamers. There have been all sorts of public discussions about whether they should be taxed and so on, but the fact is that they do invest quite a lot of money in training. When "Adolescence", for example, was being filmed in the north of England, a lot of work was done with the community in the area, with open days that people could come along to and see how they could become a cameraman, a sound recordist et cetera.

We do not measure what the streamers bring in from a regulatory point of view, but there has been quite a lot of discussion among Screen Scotland, the BBC and Channel 4 to ensure that the pipeline of talent is there. I do not think that there is any remit to insist that Netflix pays a certain amount of money towards training, but I am sure that it would say that its very investment in the UK is bringing that forward.

09:45

Keith Brown: I appreciate that it might be the nature of your remit, but it seems extremely passive, with your talk of shining a light, issuing guidance, being flexible and nuance—all those things. It seems to me that playing a much more active role and trying to encourage a vibrant sector would be useful.

My last question is on sports fans in general, but football fans in particular, in Scotland being able to see matches that are important to them. That sort of thing has been declining. Aside from the lack of free-to-air matches, the coverage of Scottish football by other UK broadcasters is pretty appalling. Is Ofcom concerned about or involved with that at all?

Glenn Preston: Yes, to a degree. I will explain that, because it is quite complicated.

The good news, which you will be aware of, is that the BBC has secured an exclusive deal to broadcast Scotland, Wales and Northern Ireland men's international football in the run-up to next year's world cup, which is a total of 41 live matches over the next 15 months.

Our remit relates to listed events—that is, sporting events or other events of national interest. They are designated by the UK secretary of state—Ofcom does not have a role in that. The UK Government of whatever colour says to the UK Parliament, "These are the things that we think should be shown on free-to-air channels." Our job, then, is to look at the acquisition of exclusive rights and whether the organisations have bought them fairly and, if we feel that they have, to give them consent to broadcast. Those are the limitations on our role.

We have been hearing these arguments for quite a long time, but it is for the Government to have a conversation about this and to ask whether anything about the list of designated events that are deemed to be of national significance needs to change. What goes on the list is the Government's choice. If it decides that it wants to add the likes of, say, Scotland men's international football matches, we will come in and fulfil our regulatory function, as we are asked to under the regime.

Keith Brown: I get that you are a regulator and that you do not have this power, but Westminster Governments have for decades now, I think, refused to list Scotland men's—and, I would argue, women's—football team events. As a result, people in Scotland have had to watch England play Albania, and they cannot watch Scotland play Spain or whatever. Does that not concern you as an organisation?

Glenn Preston: Yes. If it is free to air, that is a positive thing for audiences, but that is the limitation of our role. We do not have the opportunity to say what we think should or should not be on a designated list. The Government makes the decision and then Parliament passes legislation to that effect.

Keith Brown: Thanks.

The Convener: I want to ask a couple of quick supplementary questions before I bring in Mr Harvie.

Going back to what Mr Brown was saying, I, like some other members of the committee, have very little interest in football, but I noticed that the national news at the weekend featured some of the successes of England men's and women's teams in Europe but not Aberdeen winning the Scottish cup. Is there some disparity in the bias of national content with regard to the home nations? Should the national news be doing more to highlight what is happening in Scotland and cover some of that content?

Cristina Nicolotti Squires: Anecdotally, I can tell you that, in my previous career running newsrooms at ITV, Channel 5 and Sky, I would have been very cross if one of our programmes had not put the Aberdeen result out. National news programmes should be doing the news for everybody.

However, Ofcom does not get into those arguments, does not have editorial powers or requirements and cannot tell individual news programmes to do something. Whatever channel it was on—and you do not need to say—I cannot ring them up and say, "That was really bad." There is no formal way of doing that. We do insist that everyone in the UK is properly reflected, but there is no mechanism for us to say, "You've broken this rule, so we're going to fine you."

That sort of thing is done through what you might call softer power—and if you let me know later which channel it was, I might send a text. It was a classic thing at ITV's "News at 10", which I edited for many years, that we ensured that we covered not just England football results but Scottish ones, too.

The Convener: Channel 4 has been mentioned a couple of times. We have heard today that quotas can sometimes lead to a feeling that things are being implemented and data gathered in a tick-box way. What is the rationale for not setting quotas for Channel 4 in the same way that they are set for the BBC?

Cristina Nicolotti Squires: The BBC is a publicly funded organisation, and Channel 4 is publicly owned, so they are slightly different. Channel 4 has to report to us and be transparent about where it is commissioning content, and I think that its spend outside England has amounted to something like 11 per cent over the past year.

Again, it is a matter of balance. The most important thing is the outcome—that is, what is being made here and what is being seen and valued by audiences. The balance is between making sure that that outcome happens and making sure that innovation and ideas are not stifled and that there is flexibility. The evidence shows that there is a burgeoning and flourishing production sector here and, of course, we want that to continue, but I do not think that being prescriptively regulatory will necessarily bring about that outcome. So far, the approach is not doing a bad job.

Do not underestimate the huge changes that are going on in audiences. For example—and I am going to talk about my own experiences again—when I edited ITV's "News at 10" in 2010, we had an audience of 5 or 6 million; now, about 2 million people watch that programme. Audiences are fragmenting and going to very different places. It is important that the great content that is still being made, whether it be on Netflix or the BBC, is being made where people are watching.

The outcome is what we measure. Ofcom is very much an evidence-based organisation; we do a huge amount of research. It is the outcome that is important, and I maintain that it is important to balance guidance and quotas with allowing people to be innovative and flexible—in other words, to take a bit of a punt or a bit of a gamble.

The Convener: Channel 4 has an out-of-England target, and you have just said that it is making 11 per cent of its content outside of England. Do we have a figure for Scotland?

Glenn Preston: I do not think that we do at the moment. We re-licensed Channel 4 last year. Its out-of-England quota increased: it was 3 per cent

originally; it moved to 9 per cent a number of years ago; and for the duration of the next licence—that is, by the end of the next licence period in 2030—it will be up to 12 per cent.

You are right that it is an out-of-England quota, but another thing that we have required Channel 4 to do is to report against its performance in each of the nations. That information will be coming.

Cristina Nicolotti Squires: In a year's time, you will be able to see the percentage.

Glenn Preston: And you will be able to work out how much of the overall 12 per cent target Channel 4 is producing in Scotland.

Patrick Harvie (Glasgow) (Green): I cannot shake the feeling that we still have an approach to regulation and scrutiny of, and political debate about, the BBC that derives from a time when it was massively dominant in terms of the economics of production, storytelling, culture and news. It was massively dominant, but now it is a player in a market. It seems to me that the legislation that you mentioned—the Online Safety Act 2023 and the Media Act 2024—might catch us up to where we should have been 20 years ago, but it does not fully address the current landscape and what it will continue to evolve into.

The media act does give you some powers in relation to video on demand. I looked at your website to see whether the consultation on that is out yet, but I did not see it. I want to ask about the context, scope and breadth of that consultation, but I will connect my question to the point that the convener made about the recent Liverpool incident. The BBC quite properly immediately said that the incident was not being reported as a terrorist incident and that the suspect is white, but that did not matter at all because huge numbers of people were immediately fed lies that the suspect was an immigrant or that it was a terrorist attack. There is nothing at all that the regulated parts of news can do to stop the very deliberate proliferation of lies and conspiracy theories. The Liverpool incident is by no means the only example of major video-on-demand platforms actively promoting conspiracy theories, far-right propaganda and the kind of public health misinformation that we saw during Covid.

What is Ofcom empowered to do under the Media Act 2024 about those very profound challenges of disinformation, conspiracy theories and lack of political neutrality during an election on major video-on-demand platforms, as well as the proliferation of social media platforms?

Cristina Nicolotti Squires: You referred to the video-on-demand code. The 2024 act requires us to draw up a video-on-demand code. I think that we will bring out the consultation later this year. It will be based broadly on the aims of the broadcasting code around protecting audiences from harm, due impartiality and due accuracy of news et cetera; it will look pretty similar. It will go out to consultation and, once we have published it, we will start looking at whether to try to bring the two codes together, because at the end of the day people are consuming things across different platforms.

The Westminster Parliament decided not to include misinformation and disinformation in the protection from harms in the Online Safety Act 2023. We have no legislative lever to pull; there is not a take-down regime. I will not go into whether that was the right decision; it was not my decision. It is difficult to define what is information and what is disinformation and you and I may have very different views about that. I actually suspect that we have quite similar views, but different people have different views.

There are other levers, however. Next month, in June, we are having the third in a series of round tables with the platforms and the broadcasters. I want to make sure that people can find duly impartial and accurate news and that we have a framework, which the broadcasters provide. At the moment, broadcasters do not have to have the content on their social media platform comply with the same standards as in the broadcasting code, but they all choose to do so because that is good for their brand. When I was at Sky, I was in charge of TV and digital output. People would come to me and say, "We don't have to stick to the rules for this" and I would say, "No, you do because it is part of our brand. Our news is accurate and impartial".

We are bringing the platforms and the broadcasters together. There has been some discussion about giving prominence on social media to public service broadcasting outlets and we will be addressing that in the "Review of Public Service Media". However, what does prominence look like on a TikTok feed? I do not know. Ofcom is working to facilitate that. We want the broadcasters and the platforms to talk to each other about how we make sure that people can get in their feed—

Patrick Harvie: This is the—

Cristina Nicolotti Squires: May I just finish?

We also have a big responsibility in terms of media literacy, which is about teaching people to know that what they see on social media is not as regulated as what they see on TV.

Patrick Harvie: I agree that that point is important. However, it is all the more important because we have an unregulated landscape. You have twice talked about making sure that people can find or can access impartial or accurate content. I suggest that that will be entirely

ineffective if people can find accurate, impartial information if they go looking for it but meanwhile are being actively bombarded with the very opposite.

Can you confirm that the work that you are doing on video on demand will not require YouTube, for example, as a content provider to pay due regard to impartiality and accuracy in the content that it provides to everybody? I do not think that you are empowered to that.

10:00

Cristina Nicolotti Squires: The Secretary of State will designate what are called the tier 1 providers. There is a separate issue with YouTube because it is a platform but not a producer of content, which is a slightly different thing.

There is no legislation to say that TikTok or Facebook are not allowed to run certain content. I do not think that any regime in the world has achieved that, although lots of people have looked at possibilities. It is about that balance of freedom of expression versus protecting audiences from harm.

What we can do is work in as many different ways as possible. Media literacy is a hugely important part of that. Our evidence shows, for example, that something like 60 per cent of people get their news from social media but, interestingly, during the 2024 UK general election, people were telling us that they were going to the broadcasters to get their political news because they knew that it would be more accurate and impartial. Educating people is really important. People know that what they see on TikTok is not always right, but there will be people who go with conspiracy theories.

Patrick Harvie: Some do. You referred to the racist riots last year, which were sparked by online misinformation, propaganda and racism; they were quite deliberately stirred up in that way. Some people will tell the difference between truth and lies when they see it and some people will understand that social media content is not going to be honest or reliable, but others will not.

On your point about the responsibility of the broadcasters, this week the main regulated broadcasters covering a Reform Party press conference just broadcast its racist film about Anas Sarwar, uncritically and unquestioningly; the cameras turned to the projection of that film and it was broadcast to the nation on regulated mainstream news channels.

Cristina Nicolotti Squires: Those channels are required to be duly impartial. “Duly” is an important word here. I did not see the whole of that programme, but, in my experience, it would be unusual to show that live and then have no commentary, rebuttal or response from Labour—I would find that strange. I do not know exactly whether there have been complaints about it and we are investigating. As I said, I have not seen the whole context of that.

There are two slightly different things here. Whenever broadcasters choose to take a press conference, whatever is said in that press conference, they have a responsibility to be duly impartial in their coverage. Whoever is giving the political press conference, there has to be some response or rebuttal.

On the wider thing about making sure that there is not disinformation, wild theories and racism on social media, it is fair to say that we do not have powers to do that.

Patrick Harvie: That remains a massive gap in regulation of the news that people consume.

Cristina Nicolotti Squires: It is difficult. It is a topic that you could spend days discussing. What is news, exactly? How do you regulate news? Is news only what broadcasters or respectable companies put out? It is a difficult area and it is an area that will take up a lot of discussion in the future. As I said, we are trying to bring people together—the platforms and the broadcasters—to make sure that people get easier access to the reporting that they do. That is an important tool.

The Convener: I will ask a quick final question. Cristina, you have particularly mentioned the audience quite a bit. How open are you to the public contacting you with concerns and how do you engage generally with audiences to ensure that you are getting the information from them?

Cristina Nicolotti Squires: We are incredibly transparent. Through our website, it is a fairly simple process to complain about a programme. When there are complaints made about programmes, we follow them up and we assess the bit of content. Quite often, people make complaints about a programme judged on a clip that they have seen on social media rather than the whole programme.

We do interact. We have a grass-roots format, I suppose, with our advisory panels in England, Wales, Northern Ireland and Scotland. We are forward facing. We do a huge amount of research. We did a piece that came out recently—and I would encourage members to take a look at it—on adults’ media use. We look at and report on those trends. Some are quite stark and quite frightening. The drop in linear television audiences is going faster than even we had predicted. We have a pretty good grasp on what the public are telling us and we encourage people to get in touch. We are open. We engage with all sorts of different stakeholders.

I talk about audiences a lot because that is the most important thing. In my role, I am here to make sure that audiences get a great range of content that they love and engage with. Overall, Ofcom is there to make sure that the consumers are getting the best services that they can.

Glenn Preston: We do not have responsibility for individual complaints in relation to telecoms, but we do for broadcasting. As Cristina said, it is possible for someone to use our website. We have a consumer contact centre that serves people across the whole UK and can take calls and complaints as well.

It is probably worth acknowledging that in relation to the BBC, in line with the charter and framework agreement, there is the BBC first process. If audiences want to complain about something on the BBC, it is necessary for them to go first to the BBC and the complaint goes through various stages. If they are not happy with the outcome of that, they can come to Ofcom. We encourage people to go to the BBC first.

There are some exceptions to that, however. When a complaint deals with difficult issues such as privacy, for example, it is possible for a consumer to come to us directly and say, "I want you to look at this now because it is so important". It is an area in which we deal with individual complaints regularly.

We publish the "Broadcast and On Demand Bulletin". It goes out roughly monthly and it summarises everything that we have received; it summarises complaints that we have decided either to take further or not to take further, the reasons for that and what the process is. We eventually publish the decisions that map out everything that has come in front of us, all the evidence that has been presented to us and what our final decision might be.

The Convener: That is great. That is all the questions for this morning. I thank you both for your attendance. I will suspend for a quick comfort break before moving to the next evidence session.

10:08

Meeting suspended.

10:12

On resuming—

BBC Scotland

The Convener: Welcome back, everyone. Our next item is to take evidence from the BBC. I welcome our colleague Jackie Baillie MSP, who is joining us for this session.

From BBC Scotland, we are joined, not for the first time, by Hayley Valentine, director, and Luke McCullough, head of corporate affairs and corporate affairs director of nations. We welcome for the first time to the committee Rhodri Talfan Davies, the BBC's director of nations. A warm welcome to you all.

I will invite Ms Valentine to make a short opening statement before we move to questions from our members.

Hayley Valentine (BBC Scotland): Good morning, everyone, and thank you so much for the invitation to speak to you today. I understand that you want to talk about our drama investment strategy, and about my priorities, now that I am six months into the post. As you know, I came to the committee in January, when I had been in the post for only a few weeks.

First, let me address the decision to end "River City" next year—to commission it for only one more year. That decision was not taken lightly, as you can imagine. None of these decisions are. It was an editorial decision based on changing viewing habits and on audiences moving away from long-running dramas to high-impact, short-run drama series, and we must deliver what the audiences want to watch.

As you know, £9 million is currently invested in "River City", and we are choosing for editorial reasons to invest that money differently. We have announced three new series, "Counsels", "Grams" and "The Young Team", which we might talk about a bit more later, but that is just the start. The total investment in BBC drama from Scotland is expected to rise to £95 million over the next three years. That £95 million of BBC money will leverage significant third-party investment and will see Scotland and Scotland's stories increasingly represented on the global stage as well as at home.

We are expecting to deliver six scripted series a year across drama and comedy. That might be slightly more one year or slightly fewer the next because of the way that drama schedules sometimes work. Some of those will be network returners—we have talked about "Shetland" and "Vigil" coming back. Some of those will be those new commissions such as "Counsels", "Grams" and "The Young Team". To be absolutely clear,

we hope that our new commissions might also become returners and enjoy that annual success. Let us look at "Shetland" as a model—it is currently filming its 10th season.

10:15

As I said, when I was last before the committee, I was new in post. I am now six months into the role and I am keen to tell you a little bit more about my priorities. I really want to build that relationship with audiences in Scotland. We are an audience-focused broadcaster: serving audiences is core to our mission and a key factor in all the decisions that we make. I want to maximise content from Scotland and representation of Scotland for all of our audiences and all of their diversity.

It is also important to me that we make BBC Scotland the best possible place to work in. We can do that by creating ambitious, bold and distinctive content; by seeking collaborations and partnerships with internal partners and external partners at home and across the world; and by being laser focused on the audience whom we are trying to reach and serve with content that they want in a way that they want to consume it. We have to respond to our audience. When they change their habits, we need to change to meet them.

That is the context in which we make these decisions. As I said, they are not easy decisions—we totally understand that—but, in this changing and competitive media landscape, we need to commit to creative renewal in order to deliver for all of our audiences. Thank you.

The Convener: I will ask a quick question to start us off. The Scottish Government is absolutely committed to the fair work agenda and is worried about precarious working practices. How will the BBC, in taking that new direction, ensure that it meets its commitments and its responsibilities to employees and those who are involved in production?

Hayley Valentine: That does not change any of those fair working practices. We will hire people as we do now. We hire a large number of people in Scotland on permanent staff contracts, more on the production PSB side of things, and we commission content from the external market—from the independent sector—and we expect companies to comply with those fair working practices, too.

None of the changes in the way that we are moving and the direction that we are going in will change the way in which we operate and our commitment to fair working practices.

The Convener: Thank you. I will move to questions from committee members. I will bring in Mr Bibby first and then Mr Stewart.

Neil Bibby: I have said before that it is not for politicians to make editorial decisions at the BBC, either at a UK or at a Scotland level, but we have questions on value for money, about the BBC meeting its objectives, about fair work and about ensuring Scotland's TV and film sector is properly invested in.

On the issue of value for money, you mentioned "River City" has an annual budget of £9 million. I understand £1 million of that goes back into BBC Scotland as charges for the production being on the site and for using the studios. It produces 66 30-minute episodes a year with the remaining £8 million, which works out at around £122,000 for each episode. All that is spent in Scotland. "River City", therefore, costs significantly less to produce than the vast majority of TV dramas. Is that correct?

Hayley Valentine: Certainly, the cost of drama is going up, so the high-impact drama that we are talking about will be more expensive than that. However, that will reach much bigger audiences.

I did not take the decision on "River City" lightly. I thought about the consequences for cast, crew and people who are impacted by the decision—of course I did. However, we have to put the needs of our audience first. The audience for "River City" has declined significantly over the past five years, which means that the cost per viewer is much higher than it was.

In addition, the cost of producing the show has gone up. As you will know, we reduced the number of episodes because we could not make the same number of episodes for the budget. Yes, the new dramas will absolutely cost more to make, but we expect them to deliver much bigger audiences than "River City" does. In terms of value for money for the audience, I am afraid that "River City" did not pass that test for us any longer. We really hope that the new dramas will.

Let us look at the dramas that we currently make. "Shetland", for example, delivers an audience of about 700,000 in Scotland and about 7 million or 8 million across the UK. "River City" is delivering 200,000. "Granite Harbour" is delivering 500,000, and programmes such as "Rebus" and the other dramas that we make are delivering much higher numbers. Therefore, they are more value for money for our audience.

Neil Bibby: In terms of the number of hours produced, though, "River City", with its 66 half-hour episodes a year, produces 33 hours. My understanding is that the three new shows, "Grams" "Counsels" and "The Young Team", will produce only 18 hours of television. "River City"

costs significantly less but delivers significantly more content. With the new shows, there will be 15 fewer hours compared with what is currently provided by “River City”.

Hayley Valentine: That is true. Actually, it will be 20 hours across the three new shows, initially—eight episodes of “Counsels” and six of the other two shows that we have announced.

I will make a couple of points. I just do not think that our audience judge us on volume. They do not go to the iPlayer and say, “There is not enough stuff”. They judge us on quality. They come because it is something that they want to watch. The argument that we should make more hours of content that the audience is not consuming in large numbers does not really stack up.

We know that we need to make content that will make the audience think that we are value for money and that the licence fee is value for money. If we go down to 20 hours of the new dramas, as I said, they are not the end of the story—they are the beginning of the story and we have more coming down the track. That is a massive investment in drama in Scotland. We will increase the amount of money that the BBC puts in and we will also get third-party investment. Volume is not the measure that we are looking at, primarily. We are looking at value for money for audiences and, crucially, at what they want to watch.

Neil Bibby: Volume is an issue. I agree with you that quality is an issue as well. “River City” is a quality product—it won the Royal Television Society Scotland awards in 2023.

We heard from the cast and Equity last week. Part of the problem that we have is that the BBC has not done enough to market the programme, it has moved around different slots and there has not been enough trailing of episodes. Do you not think that the BBC has a good product and that you could do more to sell it? Linear television viewing figures are declining more generally, but could you not ensure that “River City” gets the support and the marketing that it needs?

Hayley Valentine: Look, I am not disputing that “River City” is a quality product. I like it. However, I do not make programmes for me; I make programmes for the audience.

On marketing, before we had the BBC Scotland channel, “River City” was on BBC One only and was occasionally moved around the schedule. When we launched the channel, we were able to put “River City” where it currently is, which is twice a week in a fixed slot on the channel and twice a week on BBC One on alternate nights—that is, it is on BBC Scotland on Mondays and Wednesdays and it is on BBC One Scotland on Tuesdays and Thursdays. Occasionally, because of—I do not know—live news events it gets moved around on BBC One, but that does not happen terribly often. We also drop it on iPlayer on Monday morning at 6 o’clock. As we have heard, audiences are increasingly consuming our content digitally and it is available for them there as well.

I might let Luke McCullough pick up on the promotion of “River City”, because it is his department more than mine that looks at that. We do promote “River City”. It has three dedicated social media feeds for fans. No other programme has that. We promote new series and when it is coming back. We also promote storylines and we promote cliffhangers. We give it promotion like we do our other products.

It is not that we have been ignoring “River City” and that is why the audience is not watching it. The audience has every opportunity to see it. It is in a fixed slot on two channels. It is on BBC One as well as on the channel, and we promote it.

Luke McCullough (BBC Scotland): The programme also comes up on people’s recommendations on iPlayer. If people have watched one drama from Scotland, the iPlayer algorithm will recommend “River City” to them. They are just not watching it when they find it.

As Hayley Valentine said, we have three different social media accounts to support the programme. No other BBC Scotland drama has ever had that support. Those accounts exist both when the programme is on air and when it is off air. When it is taking its breaks, those social media accounts are still engaging with fans of the programme and trying to keep them interested. I am not sure what more we could have done.

Neil Bibby: I am not sure that I have seen as much of the marketing as has been suggested.

Ms Valentine, you said that you do not just make programmes for yourself; you make them for the audience. You will be aware that the BBC charter talks about the need

“to reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and, in doing so, support the creative economy across the United Kingdom.”

In the earlier evidence session, we heard from Ofcom about the need for the BBC to do more to engage with working-class audiences. How does scrapping a working-class drama and working-class voices help build support and audience reach for working-class people?

Hayley Valentine: We are aware of the challenge in relation to lower socioeconomic groups and, indeed, younger people consuming the BBC. We think about that in our commissioning decisions all the time. As I say, we are here to make programmes that people want to

watch. We are here to make sure that the universality of the BBC applies to everyone.

Of the new dramas that we have commissioned, one is set in Springburn. It is a comic thriller about a working-class community and features working-class characters. It is written by a writer who is based in Springburn and has been his whole life. Another is about knife crime and gangs and the friendships, agency and hope that comes from those experiences. That is also set in the west of Scotland, in North Lanarkshire. The third one, "Counsels", is about young lawyers making their way in the scene in Glasgow. Education is free in Scotland—anyone can be a lawyer. All these dramas will have working-class characters. We are aware that we need to make programmes for all our audiences.

Rhodri Talfan Davies (BBC): May I add to that? The categorisation of soap operas as being for working-class audiences is not evidenced by the data. Soap operas can draw audiences from all sorts of backgrounds.

I would also make the point that the dramas that Hayley Valentine has already mentioned—"Granite Harbour", "Vigil" and "Shetland"—all attract significantly more working-class audiences than "River City" does. It is true that "River City" has a more working-class skew in the audience that it attracts, but it is a much smaller audience. We need to be careful that we do not see soap operas just as a vehicle for so-called working-class audiences. A lot of our drama portfolio works harder in reaching working-class audiences than "River City" is able to do. That is not a criticism of "River City"; it is a reflection that soap operas generally have been squeezed by changing audience behaviour.

Neil Bibby: I accept that different people will watch different programmes, but this is a soap about a working-class community with working-class voices. I very much welcome more investment in production in Scotland in different areas, but I find it hard to see how that will replicate what exists with "River City".

In terms of the fair work agenda, you mentioned, Ms Valentine, making sure that the BBC was the best possible place to work. There has been a lot of anger from the cast and crew about the BBC's decisions around the ending of "River City". You mentioned that it was an editorial decision, but the cast and crew were told that there was no option to renew the lease for the site and that that was instrumental in ending "River City".

Hayley Valentine: To be clear, it was an editorial decision. Clearly, we had a lease at Dumbarton, but that is a distraction. This was an editorial decision. I ask Luke McCullogh whether he wants to pick up on the detail.

Luke McCullough: Yes. The cast and crew were told in person by BBC Scotland's Louise Thornton, our head of commissioning, who has appeared at this committee before. It was important that BBC Scotland joined the cast and crew to share the decision. It has not always been the case when programmes have been decommissioned by the BBC that the BBC has talked with the cast and crew, but we were clear that that was the right thing to do. Louise explained her decision and, right at the top, she said that it was about changing audience habits, which is exactly what Hayley Valentine has said.

Was the lease mentioned in that meeting? Quite probably—I was not at it. However, there is no viable option for us to extend that lease for a bucketload of reasons, which are commercial matters between the BBC and the landlord. The main reason why the lease was mentioned in the meeting is to do with the timing. We did not choose to end "River City" now; no more "River City" was commissioned at all at the point at which we decided what was happening with it. However, we decided to run for an additional year, which would tie in with the end of the lease. The lease ends next year, and that is the relevance of why we said that to the cast.

Rhodri Talfan Davies: The other point to make is that the BBC is a big organisation and regularly deals with lots of big-ticket commissions. Had we wanted to continue the series, we could have sorted the issue. You can relocate, or you can discuss it with the current landlord—there are ways of making the drama work. However, it comes back to what Hayley Valentine said right at the outset. The first decision is whether we want to continue or whether we want to pursue other projects. The decision in this case was that we saw other projects that we thought we should invest in creatively.

Neil Bibby: The cast and crew were not just told that the lease was coming to an end; they were told that it was coming to an end and that there was no option to renew it. That is very different.

Luke McCullough: We cannot get into commercial discussions between the BBC and the landlord, but we are pretty clear—

Neil Bibby: I am talking about discussions between the cast and the BBC.

Luke McCullough: —there is no viable option for us to extend the lease at the moment. There are issues on the site. The cast are aware of them, because we wrote to them last year to explain, for example, the presence of reinforced autoclaved aerated concrete on the site. The BBC would not renew leases on sites with RAAC. There is no viable option for us on that site at the moment but,

as Rhodri Talfan Davies has said, had the BBC wished to continue making “River City”—if it was the right thing for the audience and if it was attracting more audience than it is—we would have found a way to make it.

10:30

Neil Bibby: My colleague Jackie Baillie contacted the owner of the site, who confirmed that they were surprised by the BBC’s decision to end the lease. The cast were told there was no option to renew the lease. Why were they told something that was categorically untrue?

Luke McCullough: There is no viable option for the BBC to renew that lease given the state of the site at the moment, but I cannot go further than that because it is a commercial discussion between the BBC and the landlord. The landlord has not come to us and said that anything that we have said is out of line with the discussions that it has had with the BBC. I am confident that there was no viable option to renew the lease.

However, I would stress again the reason to end “River City” had nothing to do with the lease. The timing of when we are drawing it to a close ties in with the end of the lease, but the reason that we have ended “River City” is because, on average, it is getting 200,000 people per episode watching it when every other BBC Scotland drama that we make gets more than double that figure as a minimum.

The Convener: I am conscious of time. I will come back to you if we have more time, Mr Bibby.

Neil Bibby: Sure.

The Convener: Mr Adam, you wanted to come in. Do you have a supplementary question?

George Adam: I have a couple, if that is okay.

Good morning. It will come as no shock to you that I welcome the £65 million for drama over the next three years, but why can we not have both? There is no way that you will replace a long-term serialised drama with six episodes of three shows. It will not be the same level of work or the same guarantee of work. We heard about that from members of the cast and technical staff. You will not create new technical staff and give writers and actors give their first opportunity. It just will not have the same effect.

Yes, television is changing, but we are not having this conversation about “EastEnders”, and its ratings have tanked over time. Why does it always seem to be that we in Scotland are the ones impacted? Why can we not have both? People will not be having this conversation at the BBC down in London.

Hayley Valentine: I sat here in January and made it clear that, for everything that we want to do that is new, we have to stop doing something. We know the situation with finances and the BBC. I do not have the money to do everything that I want to do. I would like to do a million things that are not possible. I have to make difficult decisions.

This decision, as I say, was made because the audience figures are not performing for us in the way that we need them to.

Things will not be exactly the same. As I say, fewer episodes and short-run dramas are what the audience is asking us to do. That is what the audience is showing us that they want us to do.

The “EastEnders” question is slightly different. It is made for a UK audience. Actually, its audiences are not tanking; it is slightly defying gravity at the moment.

George Adam: “EastEnders” is not the monster that it was back in the day. It has the exact same challenges as a show such as “River City”. People watch it in different ways. You cannot necessarily judge a show on the live figures; there will be more watching on iPlayer and everything else.

Hayley Valentine: Indeed, but “EastEnders” does significantly better in Scotland than “River City” does, both on iPlayer and live. It does better among younger audiences than “River City” does. It does better on geographic reach than “River City” does. We took all that into consideration—of course we did.

On the point about access—

George Adam: Sorry to interrupt, but does that not give you an example to show that there is a market for a serialised soap opera in Scotland? Maybe relaunching “River City” might be an idea, rather than—

Hayley Valentine: We looked at all the options, I am afraid. We have changed the format of “River City” in terms of the number of episodes per week. We have changed where it is on. We have given the audience the opportunity to access it on iPlayer. I am afraid that that just has not worked. It has had a really good run. When it finishes, it will be 24 years old. That is longer than most long-running series last for. We have given it a really good run, but it is time to do other things.

On the point about access to first jobs, training and so on, these new dramas will have that. There will be a wider range of them and there will be more of a geographic mix, so perhaps there will be access for people around different parts of the country, although, intentionally, these three dramas are based in the same geography as “River City”.

We need to think about making new products that the audience wants more of. “River City” is not the only game in town in terms of access to drama in Scotland. Whether you are an actor, a director, a producer or a trainee, we offer opportunities across a wide range of content. It is not just “River City” that does that for us.

George Adam: No, I agree with that and I said right at the start that I welcome the investment, but anywhere else in the UK the argument would simply be that you can have both and you can find a way to make that work. I find it difficult that we in Scotland seem to be the ones who have to make sacrifices, whereas elsewhere, the BBC is carrying on business as usual.

Hayley Valentine: I have one other thing to say. This is not a sacrifice. We are reinvesting all this money in Scotland. We are getting additional funding from network and, hopefully—in fact, I know this for a fact in terms of the things we have already announced—additional funding from third parties. This is an increase in the investment. I want to see more money spent on screen in Scotland, not less.

I have one final thing to say before I hand over to Rhodri Talfan Davies, who can talk about the UK picture and “EastEnders” on my behalf. You mentioned long-term jobs—jobs for life. The vast majority of the cast of “River City” are not on long-term contracts. They are contracted year to year. We have only ever commissioned it 12 months at a time. Once, during Covid, we commissioned it for a little bit longer for specific reasons, but we only commission a series at a time. The vast majority of people who work on the show have short-term contracts, like most people who work in this area of the industry, whether they are actors, directors or producers. You do not go into it thinking that you will work on the same project for life.

George Adam: Twelve months is still a better deal than six episodes.

Luke McCullough: Can I clarify? Almost all of them are not on 12-month contracts; they are on 12-week contracts. “River City” films for 12 weeks and then they go off and make other stuff. They will appear in pantomime if they are actors. The contracts for the vast majority of people are very short. They will get a 12-week contract to do the work and be off. “River City” films in two 12-week blocks, whereas “Shetland” is currently filming for six months. A lot of these products have a longevity that maybe is not in some of the churn of a soap opera.

Rhodri Talfan Davies: Can I make one other point? I will make it quickly. I reiterate that this is a strategy to increase investment and opportunity in drama and comedy in Scotland; it is not about a reduction. On the idea that something is being done to Scotland, this is about a creative opportunity and it is about growth.

Is “River City” being picked on? There is a challenge across all soap operas in the UK. It is true that “EastEnders” is one of the big beasts. Its audience in Scotland is 20 per cent or 30 per cent higher than the audience for “River City”. However, we have seen the end of “Doctors”, which was produced in the west midlands, and we have seen the end of “Holby City”, which was filmed in Elstree in London. The pattern reflects a changing audience habit.

Alexander Stewart: I will ask you some questions about Scottish production at the moment. The change in approach to commissioning acknowledges that the BBC has underdelivered for Scotland over at least the last 10 years—people have that opinion. What resources are you offering for commissioning? Will the BBC now look at Scotland’s production companies, writers, directors and crews to ensure that the corporation’s obligation for Scottish production is and continues to be met?

Hayley Valentine: I do not recognise the underdelivering that you mentioned. We exceed our quotas for network production made in Scotland and, as you know, we have our own Scottish budget. We spend a lot of money on co-productions with network, which we commission and deliver for both Scottish audiences and broader audiences. We spend a lot of money on programmes that are specifically for Scottish audiences.

In particular, we got a big investment for the launch of the BBC Scotland channel, and since that stage we have been making a lot more content that reflects the lives of people in Scotland back to themselves and out to broader audiences. I want to expand that. I want more of our money to be spent on portrayal and on representation of all Scotland; I want Scottish audiences to see themselves reflected back and for the Scottish story to be told more widely—across the UK and beyond. I do not think that we are underdelivering, but do not get me wrong, I am ambitious for more.

Could you repeat the second half of your question?

Alexander Stewart: It was about ensuring that you look first at the Scottish production companies and their crews, writers and directors to make sure that they get the opportunities.

Hayley Valentine: Yes. The vast majority of the commissions that we have made in the past year, 90-odd per cent, have been to Scottish companies—it is companies that are based here that have done the work. If you look at the examples of the dramas that we have

commissioned, the vast majority of the talent that we hire—the production talent, the on-screen talent and the writing talent—is all Scottish. Our ambition is to grow the industry in Scotland and grow the sense that someone can be in Scotland and make world-class content.

I do not recognise the underdelivering. We are committed to growing the industry in Scotland so that there is a brilliant creative sector and brilliant opportunities for people who work here, through which we grow the economy and the quality of the content that we make so that Scotland feels that the BBC is delivering for it. Rhodri Talfan Davies will probably want to pick up on that.

Rhodri Talfan Davies: You have covered everything.

I challenge the point about underdelivery. The BBC as an organisation invests the best part of £300 million a year in Scotland. To put that into some context, that is three times more than Channel 4, Channel 5, ITV and STV combined. It is an extraordinary level of investment into Scotland.

The point of the changes that we announced last week is that we think that we can go further. We can give you more assurance and we can give the sector more assurance that our priority is that all our big network productions deliver on employing and using local talent across Scotland and spending the vast majority of their production budgets here in Scotland. It is about going further.

As you heard from Ofcom earlier, we want to set a standard that goes beyond the current Ofcom rules. It is the right thing for the BBC to do to give everybody confidence that our intent is clear and our ambition is underlined.

Alexander Stewart: It is good to note that you have that aspiration and that ambition.

Can I ask about the commissioners and how they are tasked with providing and selecting new projects for Scotland? How does that come about? Do they meet with drama, culture, comedy and entertainment? How do they select and choose the next opportunities?

You have talked about how you are changing some of the structures and adapting and you have said that you want to see different aspects coming into the sector and greater opportunities. How is that approach and the general fiscal arrangement managed to ensure that you capture the comedy, drama and entertainment for Scotland? How do you ensure that the production opportunities are grasped, kept here and managed effectively to enable Scotland to flourish? That is our ambition and it should be your ambition to achieve that for the corporation and to see where BBC Scotland can go in the future, even with the demands on financial resources and tasking to ensure that you can manage it.

Hayley Valentine: I do not think that you are asking for a completely technical answer. We have 14 commissioners based in Scotland; that is a combination of commissioners who work directly for me, commissioners who work for network looking for Scottish ideas that we can co-commission together, such as “Shetland”, and commissioners who work for our Gaelic services. You will all know already the massive success that we had with the first high-impact Gaelic drama—there have been 1.8 million iPlayer views of that drama so far. It is absolutely mainstream and is winning awards left, right and centre.

Our commissioners are on the ground, here in Scotland. They talk to the sector all the time. We have a strategic briefing this afternoon with 80-odd people coming into Pacific Quay to talk to us about our strategic priorities. It is not a commissioning briefing as such, but it is about strategic priorities so that people know the direction of travel, what the broader BBC is thinking—which is why Rhodri Talfan Davies is part of that briefing this afternoon—and BBC Scotland’s priorities. I know that you are not looking at the technicalities of exactly how it all works.

We are not short of good ideas in Scotland. We know the sector; we know the individuals; we know the companies. We do a lot to grow smaller Scottish companies. We have a small indie fund that is currently supporting four companies on specific projects, but we also work with the bigger companies. We work the full range. People send us ideas all the time. As you can imagine, having more ideas than money is always a mixed place to be.

We also put out specific commissioning briefs. We mentioned earlier that we have issues around younger audiences. We will put out specific briefs saying that we are looking for ideas that will try to attract that audience and ways in which we can reach certain audiences. We look for gaps in what we are doing as well as building on success stories.

We have close relationships in Scotland. It is a close community. We benefit from having all those commissioners on the ground who know what Scottish audiences want; they are across the data but they are also looking for something that we have never done before.

10:45

Rhodri Talfan Davies: Since Hayley Valentine arrived as director, she has driven the conversation around, first, how we ensure that the money spent in Scotland works for Scotland and Scottish talent and, secondly, the creative

ambition. Part of that creative ambition is things like securing the men's internationals and putting the footie back on the Beeb, which has been a huge win in Scotland. Part of that ambition is looking at how BBC Scotland and the BBC network teams come together to drive—as you were talking about with Ofcom—an authentic portrayal of Scotland. Under Hayley's leadership, we have created a framework for that, which will mean that at least 30 to 40 per cent of network expenditure in Scotland in the coming years will deliver genuine, authentic portrayal. That is important. The investment numbers are good and we have made real progress, but we want to demonstrate—and I know that Hayley is ambitious to demonstrate this too—that we can deliver creatively in reflecting Scotland on the screen.

Patrick Harvie: Good morning. Sorry, not sorry: I will come back to "River City" for a couple of questions first but then I will move on to the recent announcement on regional production.

You have said clearly that ending "River City" was an editorial decision and I accept that that was the motivating factor, but one thing that has left a bad taste in the mouth for the people who received that distressing news was their strong perception that they had been misinformed that the landlord wanted to sell the site for housing. If we can tie that off and put that issue to rest, I would welcome that. Can you confirm whether the "River City" team were told that? If they were not told that, how has the perception arisen that they were misled?

Luke McCullough: Again, I do not know exactly what was said in that meeting, but I know that I was on the set of "River City" about three weeks before we announced the decommissioning of it. While I was there, about three people said to me, "Have you heard that the landlord wants to sell the place when the lease ends and build houses on it?" I said, "I had not heard that, actually". It was very much being spoken about openly in and around the set.

If our commissioners were asked about that and if they were asked to speculate, I do not doubt that they reflected that speculation back. However, I have no clear information that the landlord wants to sell the land for housing. As Mr Bibby mentioned earlier, the landlord has said that he would have been quite happy to extend the lease, but—

Patrick Harvie: Are you saying that the BBC was not the source of that perception?

Luke McCullough: As I said, three weeks before the briefing I was asked by three people on the set about that. I do not know what the source of that perception was.

Patrick Harvie: I am not asking if you personally were responsible for where that suggestion came from.

Luke McCullough: I was absolutely personally not.

Patrick Harvie: Was the BBC responsible for that?

Luke McCullough: It was already being discussed well before the commissioning briefing because I experienced that myself. I do not believe that the BBC was the source because, three weeks prior to it, it was being openly discussed.

Patrick Harvie: It still feels as though there is quite a lot of confusion about where that came from and the way it has been handled is extremely unfortunate. If there is any suggestion that anybody at "River City" was told something that was not true by the BBC, you should investigate that seriously.

I move on to the impact of the decision. Hayley Valentine clearly set out the issue of making sure that the BBC is producing output that people want to watch. Even the folk at "River City" understand that there are changing tastes. They do not have their heads in the sand. However, the BBC needs to do another thing beyond producing content that people want to watch—it also needs to create the ecosystem for the industry, including training opportunities and first job opportunities, on a scale that justifies it. One reason why I think that there should be a broadcaster like the BBC—a large, dominant, publicly funded broadcaster—is to create that ecosystem, because nobody else will do it.

Can you confirm that you do not expect the new six and eight-part productions to create the same level and scale of career opportunities and training opportunities as "River City"? How do you intend to replace that for the longer term so that the BBC is making that permanent, on-going investment in opportunities that mean that in 10, 20 and 30 years we will have an increasing and diverse cohort of folk working in the industry?

Hayley Valentine: That is a good challenge because the work that "River City" has done, particularly around training, has been exemplary. We thought long and hard about what that would look like going forward in a different ecosystem that does not have a long-running drama in the mix.

The broader thing to say is that the BBC provides a lot of training opportunities that are not connected to "River City". It is not the only game in town. We do a lot of training across our existing projects, some of which I have mentioned today. At the moment, the BBC has 50-odd

apprenticeships. When I came to the committee previously there were 60. There is a bit of flux because some people have graduated and the new ones start in September. We support a lot of training in the BBC across all our projects. It is built into most of the work that we do. Apprenticeships are a big part of what we do.

On that diversity piece, “River City” has brought people in from a wide range of backgrounds, as we have talked about. We monitor all our training across our own diversity targets. Across the piece, the BBC is a world leader on diversity targets. We will continue that, particularly around the socioeconomic targets, because we know that that is where “River City” has done some good work.

We are building a framework around all the new projects where we will put training in place across all of them. You will not be surprised to hear that I do not have all the details for you today because these projects are not up and running yet. None of it is like for like. We have talked about the number of hours and training, and none of it is exactly like for like, of course. However, we are committed to creating quality opportunities to bring people into the industry, whether that is bringing in people in their first role on or off screen or bringing in people at mid-level, for example, shadow directing in a project that is bigger than they might have worked on before.

The truth is that we need the training, like the work itself, to match the way that the industry is going. Training a high number of people to work on soap operas only will not deliver for us into the future and will not deliver for the trainees. In the end, having the opportunity to work on a project like a high-impact drama, as a trainee at the bottom level or your first role or mid-career, and put that on your CV is probably more valuable.

I will not say that I know that the opportunities will be exactly like for like either in terms of volume or across the year or whatever, but I will say that we are working hard on it. I would be happy to come back to the committee in the autumn or whenever I am next asked when we should have more detail, because some of the projects will be up and running by then.

Patrick Harvie: I appreciate that it will not always be a like-for-like replacement, but there will be a strong expectation from the committee and from others that you are able to demonstrate that what is being created afresh will be at least as valuable in terms of those new opportunities as what you have decided to close.

Hayley Valentine: Yes. I am happy to take that challenge. As I say, I do not have all the facts and figures yet because we are working on that framework. One of the projects starts in August, one starts in February and one starts later next year. We are working on the training as we develop the projects. We have not cast or crewed those shows yet. However, we are committed to that training. I would like there to be more working-class development in BBC Scotland, not less, as a result of this.

Patrick Harvie: I will move on to the recent announcement about qualifying criteria for regional production. There has been a broad welcome for that. Would you accept that it is, in a sense, an admission that the situation has been not always wholly honest in the past? For example, a report from Screen Scotland last year showed that of the top 15 “Scottish” producers by hours commissioned, only five were based in Scotland—two thirds of them were headquartered in London. Only two of the 11 suppliers mainly used by the BBC in that list were companies formed and headquartered in Scotland.

Is it fair to say that the way in which those issues have been handled in the past has failed to create the level of benefit and investment in a broadcasting and production ecosystem in Scotland that there could have been and that we therefore have to catch up a bit, which is why the changes are long overdue?

Rhodri Talfan Davies: You will not be surprised to hear that that is not how I see things. It is an admission that we can do even better than we are doing today and that we can give even more clarity about our commitment to drive expenditure in the local economy and to drive expenditure with local skills and craft.

We have been consistently above our target for network expenditure in Scotland for many years. As I said, we make a £300 million investment every year in Scotland. However, when we were looking at the Ofcom criteria, which we follow along with all the other public service broadcasters in the UK, our view—and it is a conversation that Hayley Valentine and I have had over many months—is that we could do even better. We could do that by making sure that, in future, when we look at fresh network commissions, our expectation is that every production will meet at least two of the three Ofcom criteria and that a qualification on base only, which is allowed under the Ofcom rules, is not where the BBC wants to land. The regulatory structure has evolved. Ofcom has its view on how it wants to set it out and it is our regulator, but our view is that we can do even better.

Hayley Valentine: Can I pick up on your original question around those numbers? We are conflating two things, which is easily done. In relation to the Oliver & Ohlbaum and Screen Scotland report, we talked about companies having Scottish headquarters. We welcome working with companies that are based in

Scotland, that are committed to growth in Scotland and that want to tell Scotland's stories. Of course we are keen to promote companies that are Scottish root and branch. The small indie fund demonstrates that we want to grow those businesses. However, what we are really after are the best ideas. We will not discriminate against companies because they have headquarters elsewhere. If you are highly successful and you are bought out for whatever reason—because you need or want to be—by a company with headquarters elsewhere, wherever that might be, it does not change our relationship with you.

Patrick Harvie: I get the point, but part of the BBC's purpose and value is to shape that landscape; it is not just to say, "We want to get the best ideas so we'll go to a company that is based in London to do it", but to say, "We want the best ideas to be coming from companies based here". That is what you have the opportunity to grow.

Do you expect those numbers to be reversed as a result of the changes, such that two thirds of companies will be based here and occasionally you will use one that is based in London?

Hayley Valentine: This is what I mean about conflating the issues. We are not talking about things that are made here. By that definition, "River City" has London headquarters; "Shetland" has London headquarters; "Landward" has London headquarters; "Debate Night" has London headquarters. We all know that those are highly successful properly Scottish projects that are made here for audiences in Scotland.

I want our content to be made here. I want people to have successful, ambitious careers here and not to have to go elsewhere to find success. Of course that is what I want. All I am saying is that the fact that a company is part of a bigger company elsewhere for whatever reason—we know that the industry is precarious and there are many good reasons why a company might accept an offer to be bought by a bigger multinational or UK-based company—that does not mean that the work that it does for us is less valuable.

Patrick Harvie: But you expect the numbers to change to some extent as a result of the decision that was announced last week?

Rhodri Talfan Davies: We have only a small handful of productions that do not already qualify on two of the Ofcom criteria in Scotland, and as a result of the changes that we have announced, we expect that number to get even smaller. That will mean that more money is being spent on the ground in Scotland and it will mean that more professionals in the industry in Scotland are employed on those productions.

Patrick Harvie: It is a more modest change perhaps, then?

Rhodri Talfan Davies: It is not about the ownership structures of the indies. What is important is opportunity on the ground and spend on the ground.

I go back to something that you heard from Ofcom earlier. My view is that it is important not to disincentivise other organisations from wanting to do business in Scotland. The key thing for the sector is a mixed ecology of companies and genuine opportunity. Ownership structures are a distraction from the successful growth of the sector.

Patrick Harvie: I could probably go further on that point for quite some time, but I am aware of time. We will have to come back to that as we see the effect of the decision.

The Convener: We are very tight for time, and I still have three members—and possibly Mr Bibby—to come in.

Stephen Kerr: You are right, convener; we do not have a lot of time. Let me get to the point. The BBC has begun its own consultation on the BBC charter renewal, "Our BBC, Our Future", which is not the Government-sponsored one. What are you doing to engage with the viewers in Scotland specifically to get their direct feedback as part of the consultation?

Hayley Valentine: The consultation is across the UK, as you know. You may have seen that we have specific adverts going out in Scotland with Scottish talent on them to attract people to that consultation, but the consultation is going out to audiences in Scotland in the same way that it is going out to audiences across the UK. We will receive that information and, as I said in January, we will be led by what the audience tells us.

11:00

Stephen Kerr: How will you measure the success of the engagement that you plan in Scotland?

Hayley Valentine: We look at what people tell us.

Stephen Kerr: I mean in terms of reach.

Hayley Valentine: We hope that as many people as possible engage with the consultation. I do not know whether any of you have received it, but it is being pushed out there. Somebody said to me recently, "Tim Davie wrote to me—very nice." We are writing to a lot of people to ask them to engage with us, and we hope that as many people as possible do. There is a universality issue around the BBC and we hope that we get as many responses as possible so that our decision making can be based on the largest number of voices.

Rhodri Talfan Davies: When we undertook an engagement during the last charter process, the number of written responses from the public in Scotland was around 5,000 to 10,000, and I think that we will easily surpass that this time. Alongside the consultation, we will do representative research so that we get the fullest possible picture in Scotland.

Stephen Kerr: Part of the charter renewal process concerns the model by which the BBC is funded. Currently, the number of people who are not paying their TV licence is rising. The number looks like it is increasing exponentially, particularly among younger people and other demographics. What is the BBC's response to that? Do you expect funding to be a crucial part of the review of the charter?

Rhodri Talfan Davies: I have two things on that point. There is not exponential growth in evasion or unwillingness to pay the licence fee. In fact, last year we saw the rate of decline slow. We are still losing some people, but that rate of decline has slowed and significantly more than 20 million households in the UK pay the licence fee.

Stephen Kerr: The number in Scotland is pretty high compared to the rest of the United Kingdom—and that is growing.

Rhodri Talfan Davies: There is no doubt that it is a little higher in Scotland, and it is growing across the UK. I am saying that, with regard to the rate of decline of the number of people paying the licence fee, the picture last year was better than it was the year before.

Funding will be a critical dimension of the charter review. There are three fundamental issues. The first is how we protect the independence of the BBC, and the second is ensuring that we have a sustainable funding model, and we are pretty open minded about that. Clearly, there will be engagement with the UK Government on that and discussions, no doubt, with the Scottish Parliament and the Scottish Government.

The essential question is whether we believe as a society that a continued large-scale public intervention in the media space is the right thing for this country and for these four nations. That is the starting point. If we believe that, I believe that the right funding solution will follow that.

The case for the BBC—whether that is in relation to misinformation, as you were discussing with Ofcom, whether it is about supporting creativity across the whole of the UK, or whether it is about communality and bringing people together—is strong and we will be making it as strongly as possible. We will also be looking for support across the sector and across all four nations.

Funding will be critical. We have lost the best part of a £1 billion in real terms over the last 10 to 12 years, and we are in an incredibly competitive landscape, in which we are going up against very well-resourced global competitors. It is critical that we get the right funding settlement.

Stephen Kerr: There are so many aspects to this question that it could almost take a session in its own right. I do not have the time, unfortunately. I would also like to ask you about how you are engaging younger audiences because, as I think the BBC acknowledges, it is losing under-35s.

Rhodri Talfan Davies: Across all the public service broadcasters that is the biggest strategic challenge. Younger people's viewing habits are different and their use of services such as YouTube is growing each year. If public service broadcasting is to thrive in the next decade, we have to address that issue head on.

Hayley Valentine: How we are engaging on the charter is one thing. The truth is that all this comes down to what content we make, how we push it out to people and how they receive it.

We are acutely aware of the young people challenge, particularly in Scotland. We were talking about commissioning briefs earlier. One of the commissioning briefs that we put out a couple of years ago was around younger audiences in particular. We made a programme called "The Agency", which you may or may not have watched. Interestingly, it did not do massively well on linear television. It was designed for normal young women, basically.

Stephen Kerr: Not my demographic.

Hayley Valentine: Probably not your demographic. When we put it out on linear, it did nothing. When put it out on iPlayer, it went through the roof. We are now on series 2 or 3 and we won a BAFTA for it last year. We are thinking about how we attract younger audiences and, once we have them, how we keep them.

In the earlier session, you talked about misinformation. We are thinking about how we deliver our news. We deliver our news in lots of different ways. As you know, we have just changed how we deliver our news. We have changed our funding model so that we can launch new products. We have just launched vertical video news, because we know that that is how young people receive their news.

This is a constant conversation. We can talk about the BBC making the case for younger audiences, but my strong belief is that the biggest piece of work that we do is on screen, on air, on radio and on digital. We attract those audiences by making the right content for them.

Stephen Kerr: The right content is a good lead-in to my last question. I am mindful of time and I will be quick, convener. My question is about the launch of "Scotcast". Since you were last with us—I know that you are relatively new in your role—you have launched "Scotcast". What have you learned about offering news content as a podcast? What can you transfer to improve coverage of the Scottish Parliament—which you would expect me to mention?

Hayley Valentine: That is the least surprising question today. "Scotcast" has been an interesting project and I am really proud of it. I like the tone and the style. It is dealing with serious subjects but slightly more informally and, ideally, it is attracting a different audience. It is still new—four or five months into a project is still pretty new.

One interesting thing that we have learned—we should know this but, again, I am not 25—is that people want to watch podcasts more than they want to listen to them, and we get big numbers watching it. We have invested heavily in visualisation at a number of our studios around Scotland, including in Inverness, in Edinburgh, where the studio is being kitted out in the next couple of months, and at a couple of studios in Glasgow. We are making a bespoke podcast studio because we know that—

Stephen Kerr: What about here, in the Parliament?

Hayley Valentine: Upstairs?

Stephen Kerr: Yes.

Hayley Valentine: We are looking at it. We do not have much leeway in what we can do in this building because it is not ours.

Luke McCullough: It is a short walk to the BBC Edinburgh studio.

Stephen Kerr: I know. It is around the corner.

Hayley Valentine: It is 10 steps up the road.

There is something around the informality or the tone of voice. "Scotcast" also allows us to do subjects in more depth. The accusation around news is that we hit something and then we leave. Giving that time—it is not infinite, but at least 20, 30 or 40 minutes—to a subject is a different way of telling people about things. We know that news is often off-putting because people do not understand the terminology or the headlines. We have learned loads from that project.

Stephen Kerr: That does lend scope to the coverage of the proceedings of Parliament, does it not? It has done a bit of that.

Hayley Valentine: Indeed. It has done a number of stories about the proceedings of Parliament, and in some depth. If you get invited on to "Scotcast", I recommend that you all say yes because—

Stephen Kerr: I am still waiting for the invitation.

Hayley Valentine: I will have a word.

Stephen Kerr: You have some excellent journalists here—you know that. They are some of your best, and the product or the vehicle that is used to deliver what is happening in this Parliament through the medium of those journalists is critically important to all of us on this committee.

Hayley Valentine: Agreed.

The Convener: I will bring in Mr Brown.

Keith Brown: Rhodri Talfan Davies said that you currently spend around £300 million a year. What proportion of the licence fee raised in Scotland is that?

Hayley Valentine: It is 90-odd per cent, but no more than that.

Keith Brown: Would that be unchanged over the last five years?

Rhodri Talfan Davies: It has increased over the last five years.

Hayley Valentine: No, it has increased. Five years ago, the percentage was in the 70s or 80s. Luke McCullough has a better memory for numbers than me, but it is now 94 per cent or 95 per cent in the last annual report and accounts.

Luke McCullough: When the annual report and accounts were presented to the culture committees that came before this one, the BBC spent in Scotland 55 per cent of the licence fee that it raised in Scotland. Last year, it spent in Scotland about 97 per cent of the licence fee raised in Scotland. That number will move. It is tied to transmission times, so the expenditure for something will appear in our accounts in the years when it is transmitted, not the year we spend the money. The figure has moved in a remarkably positive direction, not least because of the discussions that we have had in this Parliament about it.

Keith Brown: This committee got figures in 2021 that said it was 90 per cent at that time. Leaving that aside, Mr Kerr raised the point that the tail-off of people willing to pay the licence fee was more pronounced in Scotland than it was elsewhere in the UK. I should say I told this committee two weeks ago that I had just got my licence, having moved into a new property, and then this week I got a letter saying I am being investigated for not having a licence. A strange thing, but there you go.

I will venture some reasons for that difference in the drop-off and I will be interested in your view on them. Some are small things that may seem trivial. First is the almost constant overruns of UK programmes that eat into programmes that people want to tune into in Scotland. Those are usually news programmes, but I can think of an England women's rugby match that stopped coverage of the early parts of the Scotland-Greece football match. It is irritating when you are waiting for two or three minutes for some little conversation between a couple of presenters on a news programme down south.

The second one relates to news coverage. You do an incredible amount of news coverage in Scotland on devolved issues. You have special investigations and you marry up your radio and TV coverage to cover devolved issues exhaustively. It certainly exhausts me sometimes. You do that all the time. However, when it comes to reserved issues—and it is the position of the BBC that there are two Governments in Scotland—the coverage is completely absent. I have raised this on air, going right back to Gordon Brewer and latterly with Martin Geissler. They both had the same reason, which was that they could not get UK ministers to appear. Important issues such as high speed 2 being cut from Scotland or the overrun on aircraft carriers are not covered by the BBC in Scotland at all and that seems very partial.

The third point is on sports. I mentioned earlier that we talked to Ofcom. I have campaigned since 2007 to have Scotland football matches deemed to be part of the crown jewels, or listed events, and that has not happened. I know that that is not in the gift of the BBC, but when you did eventually get a Scottish match, the production of the programme was appalling. It was late. You missed the early part of the proceedings. There was no commentary at all. You allowed the overrun from the previous game. That was because the programme was on pitch, as was the case for the FA Cup final on Saturday, rather than being studio based.

To me—and certainly going by my mail bag—those are the reasons why people are losing faith in the BBC in Scotland. I would be interested in your views on those points.

Hayley Valentine: Everyone we meet has something to tell us, as you can imagine. This job does not make me short of opinions on things that we do well or less well.

On the politics point, we are committed to covering everything that impacts Scotland. We are not ignoring reserved issues if they impact Scotland—of course not. We cover those things across the UK in our programming as well—

Keith Brown: Covering them across the UK is not the point. The issue is about covering them in Scotland. They involve a Government that is active in Scotland and is impacting on Scottish people. You do not cover those things. I can give you 100 examples of things you have not covered—reserved issues that impact directly on people.

Hayley Valentine: We have some specific television programming about Scottish issues. We have expanded the number of news programmes that we make, as you say, and we produce extensive news coverage. We have just launched "News at Seven" and "Scotcast", and we have three hours of "Good Morning Scotland" in the morning. The point of those programmes is to view the world through a prism of a Scottish audience—the world, the UK and Scotland, probably in reverse order. We are absolutely committed to covering everything that impacts Scottish audiences.

If you have some specific examples I am happy to take them away, but it is clearly our ambition in our news coverage to look at Scotland, the UK and the broader world through the prism of the eyes of the Scottish audience. That is what we try to do. As I say, I am happy to take the specific examples away.

There will always be scheduling issues and overruns. On Saturday we knocked half of the schedule out to cover extra time and penalties for the cup final. That will always be the case and not everyone will be happy with those decisions, but we make those decisions based on what we think are the most important needs. Things will always overrun.

To get people to pay the licence fee, we have to create the programmes and the coverage that people want. Scotland international games are a case in point; I know how important football is to a Scottish audience. It was absolutely worth fighting for those, irrespective of the crown jewels argument, which is not mine to have. Our job is to create the best content. People do not stop paying the licence fee because of things around the edges. Our job is to make sure that we are delivering content that they want to watch, whether that is in the drama sector, the sports sector or the news sector. We are increasingly important in the world of news and I take my responsibilities in that seriously. Those are the arguments that we need to win in order to make the public feel like we are worth paying for.

Jackie Baillie (Dumbarton) (Lab): I should say for the record that, if you had more politicians on your podcasts, I am not sure what that would do for viewing figures.

Hayley Valentine: I could not possibly comment.

Jackie Baillie: I know.

Trust in the BBC is important to parliamentarians, but it is important to us as viewers, too. Let me take you to the "River City" workplace meeting of 18 March, where the clear impression was given to staff that one reason for ending the show was that the site lease would end in 2026, with no option to renew. I have a recording of that meeting and I have a transcript that I am happy to share with the committee. At 3 minutes and 57 seconds, Gavin Smith said:

"The site lease comes to an end next year without the option to renew. This is a clear obstacle and it's inevitably prompted a decision to be made."

11:15

At 4 minutes and 25 seconds, when he was speaking about the prospect of relocating, Gavin Smith said:

"It would ... mean significant additional investment for rebuilds."

Counting in the rebuilding of the set was part of the decision to halt "River City", as it would have inflated the cost. There was no need to rebuild if you could have continued on site.

When she was asked specifically by a member of staff whether it was the landlord's decision or BBC Scotland's decision, Louise Thornton said, at 7 minutes and 35 seconds:

"So it's our understanding that there isn't an option to renew the lease, that it's come to an end ... And so when we were looking at all the options, that wasn't on the table".

Why did the BBC tell the cast and the crew that the lease could not be renewed? That was clearly not the case—I have spoken to the landlord. Why did the BBC seek to deliberately mislead the cast and the crew of "River City"?

Luke McCullough: I will start, because I do not recognise that characterisation at all. We have been pretty clear, as we said a few moments ago, that there is no viable option for the BBC to extend the lease at Dumbarton, particularly because of the presence of RAAC on site. We cannot expect the public broadcaster of Scotland to extend a lease in premises where it does not—

Jackie Baillie: Can I deal with that point, which is important? RAAC has been known about on site for more than a year, and nothing has been done—you have carried on with production. It is in an insignificant part of the site, and the position is stable.

This is a red herring. I invite you to address the issue rather than hiding behind RAAC.

Luke McCullough: I am sorry—I disagree with that. There have been a number of workarounds for RAAC, including having three inspections a day and putting in place temporary roofing. You cannot expect the BBC, as the public broadcaster, to renew a lease where there are defects.

However, the whole thing is a red herring. The timing of the lease relates to when we end "River City", not the decision to end "River City". Louise Thornton was quite clear that, because the lease was ending, that was where the focus of her decision was. She is not ending "River City" now; she is ending it in a year's time, when the lease ends, for audience-related reasons.

Hayley Valentine: Of course, as I said at the beginning, this is not an easy decision. We looked at all the options, including whether we could move somewhere else, temporarily or permanently, because of the issues of rebuild and repair. We looked at everything, but the truth is that, in the end, that would not be value for money for the audience. We do not have enough of an audience to make it value for money for the audience.

Jackie Baillie: That is a different argument, and I would respect that argument if it had been advanced at the meeting on 18 March. Instead, cast and crew members were misled about the basis for the reasoning. In the transcript, the option to remain was not on the table at all—it was not considered.

Luke McCullough: We were not considering the option to remain because we were not considering staying beyond the end of next year's series. In remarks that you have not quoted, Louise Thornton was really clear that the prompt for the decision was changing audience habits, which Hayley Valentine has walked us through over the past hour. We cannot keep making something that not enough people are wanting to watch.

Jackie Baillie: No, and indeed that is an argument that you could advance, but I am specifically addressing the fact that you misled cast and crew members. The option to renew the lease was clearly available to you; you chose not to renew, and there were diversionary tactics to blame the landlord. Just fess up to it—just be honest with people.

Luke McCullough: I am sorry; I do not agree that the option was there to renew the lease. The landlord might have wanted to renew the lease, but that is different from whether the BBC had a viable option to renew it. However, it is a smokescreen. If people discussed the landlord's intentions, I am completely unsurprised by that because, as I said earlier, I was asked three times,

three weeks earlier than that, about the landlord's intentions. It was an open topic of discussion.

Jackie Baillie: Yes, but where did that come from?

Luke McCullough: Look—I am a member of Equity. I fully understand how important it is to treat cast and crew with respect. I have been a member of the acting union for more than 20 years. I am not shy of making sure that we communicate with actors properly. I used to earn my living in a freelance capacity, and I understand the fragility of working in that space. I think that the whole story was available to the cast, and it was expressed pretty clearly.

Jackie Baillie: They think that you misled them. They cannot all have got it wrong. Thank you, convener.

The Convener: Mr Bibby, do you have a final question?

Neil Bibby: Yes. The issue is not just that cast and crew were misled at the meeting that has been mentioned. There was no consultation with the union or the workers at "River City" before the decision was made; the press release went out at the same time as the meeting took place. The workers have every right to feel angry and betrayed, and they certainly feel angry and betrayed. Given the answers on those points this morning, they will not feel that any less.

It is not just the cast and the crew that have serious concerns about the ending of "River City". We have also seen letters signed by Ewan McGregor, Brian Cox, Blythe Duff, Lorraine McIntosh, Richard E Grant, Irvine Welsh and hundreds of members of Scotland's and the UK's cultural sector who are calling on the BBC to reconsider the decision to end "River City", particularly because of the impact that it will have on training opportunities that are important to Scotland's film and TV industry going forward. Do you think that those people, with their wealth of expertise and experience in the creative sector, are wrong to tell you to think again? Given their representations, will you reconsider?

Hayley Valentine: I respect the fact that some extremely experienced people are on that list who fundamentally hope to protect Scottish production, the Scottish drama sector and training for Scottish talent and who want to give people opportunities. Some of them worked on "River City", and some of them did not, but they feel empathetic towards their colleagues who do, and they want to make their voice heard.

We are saying today that we will absolutely grow the drama sector in Scotland and that we will continue those opportunities. We will make content that we hope will get big audiences and grow the representation and portrayal not just across Scotland but much more broadly. We will really work on the training opportunities to make sure that they are still there at all levels.

However, I am afraid that the "River City" decision has been made and has been made on good grounds. We will absolutely reinvest that money, and we are excited for the growth that we can create for Scotland and Scotland's industry. I absolutely respect those people's empathy and their commitment to the industry, which I share.

Neil Bibby: I do not just respect those people's empathy; I respect their expertise and knowledge of the sector, too.

Hayley Valentine: Absolutely. I had a conversation with somebody who worked on "River City" who had not heard that we were going to make new things—they just knew about the cut. I hope that people will hear about that from today's session and in other ways that we can tell them. We have launched all the new programmes publicly, and those three programmes are the start of something exciting. There is more to come. We plan to advance and grow our industry in Scotland in the drama field and make ambitious formats and ambitious programmes that we hope will reach all of Scotland and beyond and will represent all our stories. I hope that people will hear that and think that that is exciting, because I certainly think that it is.

The Convener: That exhausts the questions—thank you very much. I am sure that there is a lot of interest in areas that we want to follow up and particularly in the charter commitment about Scottish voices. I am sure that you will hear from us again soon, but that ends our session.

We have another agenda item, which will be in private. I am sorry, but I ask the witnesses to leave the room quickly, because we have to finish at half past 11 in time for general question time. Thank you very much.

11:23

Meeting continued in private until 11:28.

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