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Europe, External Affairs and Culture Committee

Comataidh na Roinn Eòrpa, Cùisean Taobh A-muigh agus Cultar

Tuesday 10 November 2026

Session 7

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Tuesday 10 November 2026

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EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
10th Meeting 2026, Session 7

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

*Victor Currie (Highlands and Islands) (Reform)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North) (SNP)
*Keith Brown (Clackmannanshire and Dunblane) (SNP)
*Victor Currie (Highlands and Islands) (Reform)
*David Green (Caithness, Sutherland and Ross) (LD)
*Pauline Stafford (Bathgate) (SNP)
*Jenny Young (Central Scotland and Lothians West) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Professor Catherine Happer (University of Glasgow)
Nick McGowan-Lowe (National Union of Journalists)
Paul McManus (Bectu)
Cristina Nicolotti Squires (Ofcom)
Glenn Preston (Ofcom)

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Europe, External Affairs and Culture Committee

Tuesday 10 November 2026

[The Convener opened the meeting at 09:16]

Interests

The Convener (Patrick Harvie): Good morning, and welcome to the 10th meeting this year of the Europe, External Affairs and Culture Committee. We have no apologies to record for today's meeting.

This is the first meeting for a new member of the committee, Victor Currie, who is replacing Senga Beresford. That being the case, the first item of business is to ask Victor Currie if he has any relevant interests to declare.

Victor Currie (Highlands and Islands) (Reform): I have no relevant interests, convener.

The Convener: Thank you.

Deputy Convener

09:16

The Convener: The second item of business is the appointment of a deputy convener for the committee. The Parliament has previously agreed that the deputy convener of this committee should be from Reform UK, and members will be aware that Victor Currie is the only member of Reform UK on the committee. Can I ask if we have a nomination for the position of deputy convener?

Jenny Young (Central Scotland and Lothians West) (Lab): I nominate Victor Currie.

The Convener: Thank you. Victor Currie has been nominated.

Victor Currie was chosen as deputy convener.

The Convener: Victor, do you want to say a few words at this point?

Victor Currie: I look forward to working with you all, and I will do my best to be a good deputy convener.

The Convener: Admirably succinct. Thank you very much.

Decision on Taking Business in Private

09:17

The Convener: Before we move to our main item of business, I ask whether members are content to take items 5 and 6 on today's agenda in private. Are we content to do so?

Members *indicated agreement*.

Broadcasting and News

09:17

The Convener: That takes us on to the main item of business, which involves two evidence panels on broadcasting and news. I very warmly welcome: Professor Catherine Happer, director of the Glasgow university media group and professor of media sociology at the University of Glasgow; Nick McGowan-Lowe, national organiser for Scotland for the National Union of Journalists; and Paul McManus, negotiations officer for Scotland for Bectu. Thank you all very much for joining us.

I will open with a general overview question. We are aware of a great many challenges that face news in itself and broadcasting specifically in Scotland, and some significant decisions and changes that have recently been made by the two main broadcasters, STV and BBC. Can you give us a bit of an overview of the situation? In particular, since all of you contributed to our predecessor committee's investigation into some of the related issues, can you say how you see things standing in relation to the economic activity of the media landscape—by that, I mean employment and so on—and its ability as it is now to meet the needs of Scotland by ensuring that we have news served to us that is relevant, engaging, accessible, trustworthy and all those other good things?

Professor Happer, would you like to begin?

Professor Catherine Happer (University of Glasgow): When we were here in January and I was asked about the state of the sector, I described it as a sector that was putting in place a series of strategies to adapt to what is a fast-evolving technological landscape and a range of challenges, some of which are global in nature—in particular the changing nature of news consumption habits and the move away from linear broadcasting to online—and some of which are particular to Scotland.

It is obviously difficult to have this conversation without immediately going to the recent announcement about the BBC Scotland channel being moved online. That announcement is in line with the digital first strategy that comes from the top of the BBC, as set out by the director general, Matt Brittin, which is about chasing audiences where they are. Matt Brittin understands that technological landscape well because of his background at Google. Although he understands some of the technological challenges, I am not convinced that he is right about all the particular challenges that audiences in Scotland face and

the role of public service broadcasting—I do not think that he gets that to quite the same degree.

BBC Scotland was a response to a decades-long conversation about how best to serve Scottish audiences. That goes all the way back to discussions about the Scottish six, which would have been a news programme that replaced the "Six O'Clock News" and "Reporting Scotland" to provide a Scottish editorial perspective on international, national and local issues. That issue was continually discussed at the top of the BBC; some people were for it, and some were against it.

Over time, particularly in the past ten years or so, research has consolidated the finding that audiences in Scotland are less happy with the BBC than audiences in the other nations and regions. Findings from Ofcom, the BBC's audience council for Scotland, different research and our own research at the Glasgow university media group suggest that that is the case. BBC Scotland was therefore a response to such unhappiness. My view is that, for a whole variety of reasons, the conditions were never in place for it to flourish, but it was responding to the need to serve Scottish audiences and, in particular, perceptions of how well represented Scotland was on screen. That question, alongside the issue of having news that serves a Scottish audience with its own devolved Parliament, has not gone away.

I am a bit concerned—especially given some of the other changes that are happening, including at STV, which I will not go into detail about—because I do not want to talk for too long in my initial response—that Scottish audiences will be left with an even worse settlement than the pre-2019 settlement that BBC Scotland was designed to respond to. "The Nine", which was the flagship news show that went out to Scottish audiences as part of the channel, has already been axed, and the "News at Seven" is going as well. That will have an impact on the political and cultural literacy of people who live in Scotland and their ability to connect with politics in their local and national area—by which I mean Scotland, not the British national political sphere.

It will also have impacts on our skills base here in Scotland, which my colleagues on the panel can talk about in more depth. That will affect the breeding ground for budding journalists, and there will also be staff cuts. However, as I say, I am more focused on the impact on our political literacy, as well as the fundamental question that has been at the heart of all these discussions: is there a need for a unified Scottish national audience that can engage with politics at the national level, the international level and the British level, or should the audience be served by an editorial team in London?

The Convener: I do not necessarily want to second-guess what the representatives from the broadcasters will say to us when, not too far in the distant future, they are sitting where you are now. However, I imagine that they will argue that the decisions do not represent a retrenchment, a retreat or a diminution but a reorganisation, and that they seek to make their output more relevant. If they make such a defence, would that have any credibility?

Professor Happer: That would not be a feasible argument, given that the roles of a public service broadcaster and a linear broadcast channel are to give voice to the Scottish nation and to engage with the political literacy that I spoke about. As we know from the very nature of the technology and how it draws in audiences, moving the channel online will lead to a fragmented audience and encourage content to be responsive to a whole range of different metrics. In many cases, the content will need to meet the needs of the algorithm and start to mirror the other content that is already online.

The online first strategy is not, in any way, an argument for online content to replace a linear broadcast channel. I am totally aware of changing audience habits and the difficulties of bringing in audiences for linear broadcasting or broadcasting in general. However, at the same time, with the remit of public service broadcasting in mind, I am not convinced that moving content online is a feasible replacement for what will have been lost.

The Convener: I would like to move on to our colleagues from the NUJ and Bectu. You have a prominent role in representing the direct interests of people whose lives and livelihoods are affected, while also looking ahead to how the changes might affect the industry, opportunities for workers and their ability to serve the nation. Where do things stand, and do you agree with Professor Happer's assessment of recent announcements?

Nick McGowan-Lowe (National Union of Journalists): Thank you, convener, and thank you to the committee for your extremely timely interest in the Scottish media, which could be at a turning point.

In looking at the state of the media today, particularly with the closure of the BBC Scotland channel, I would ask the committee to cast its mind not to what is happening in this round of cuts but to what might happen in future rounds of cuts and how that might fundamentally undermine the public service broadcasting remit of BBC Scotland and its relationship with licence payers, viewers, readers and listeners.

My job gives me an overview of the media industry. There are common themes between what is playing out at the BBC and BBC Scotland

and what we have seen in the newspaper industry for many years. For a long time, the newspaper industry controlled the means of production and had a straightforward way of getting news literally into people's hands: it owned printing presses. The printing presses produced newspapers that were then distributed through a network. Newsagents and petrol stations would give them prominence and people would buy them. There was a financial model and a distribution model.

However, audiences are changing their behaviours, with newspaper sales being generally about a tenth of what they were. Those behaviours will not return. People are consuming news in different ways, on different platforms and through different media that the news producers do not own. The BBC does not own YouTube. The prominence that news producers derived from having a printing press, a distribution method, a Channel 3 licence or a public service broadcasting licence is being chipped away at.

That is fundamentally changing where news providers are looking to find viewers, listeners and readers. They are also grappling with how that gets paid for—where the money comes from. Those are the two commonalities across every part of the media industry: where to find your audience and where to monetise it.

BBC Scotland's position is slightly different, given the licence fee. Nevertheless, that licence fee depends a great deal on trust in the BBC, on the service that it is seen to provide and on uptake. My concern is that further cuts at the BBC would see that diminish and fall away, with the licence fee model deteriorating in the same way that we saw at RTÉ, to the point where it is no longer feasible.

There is also the role of journalism in Scottish political life. Scottish civic life is fundamentally important. Whatever comes out of the first round of cuts at BBC Scotland, there will be fewer journalists to do it and less news will be produced. We have significant concerns about what that will look like, and whether existing staff will be stretched and asked to produce more than they are capable of. At what point, if ever, would the cuts be restored? What we have seen in the newspapers is a continual deterioration in the number of journalists who are employed, and that number simply has not returned to its previous levels.

Paul McManus (Bectu): Thank you for the invitation to come along today. This debate is really important for public service broadcasting. The people and the politicians need to make a clear decision on what we want from it.

For the past 20 years, it seems like we have been managing decline. We want to see a line drawn in the sand to say, "This is what we expect from public service broadcasting. How will we fund that? How will we find the money to do that?" Because for the past 20 years, jobs, output and content have all been pared back to match the available money, without that conversation about whether we want quality, quantity or both. At the minute, we are not getting both—we are getting less quantity and less quality. It is not only programme output that is affected; a range of backroom services across the BBC are losing staff across the UK and Scotland, which makes the support going to the programme makers ever more fragile.

As Nick said, the BBC has been living with austerity-funded licence fee cuts for many years. That is reducing the amount of programme output—it is reducing the amount of commissions, which reduces the amount of work that goes to independents, which reduces the amount of work that goes to freelancers. At the same time, the BBC is facing the challenge that younger people do not watch broadcast—younger people are online—and younger people get older every year that goes past, as we spoke about in the previous evidence session.

09:30

It is important that the BBC is supported to deliver high-quality news and programming output on linear broadcast, because there is a job to do to try to educate and inform people. Sometimes the programmes that are needed to inform and educate our younger folk are not always the most popular audience-wise. The BBC needs to be able to take risks to try to get younger audiences back to linear broadcast, but it also needs to make the change to online, so it has a dual challenge there.

Similarly, with STV, the biggest and most important question right now is what is happening with the ITV-Sky deal, because discussions about programme output and news provision will fall by the wayside if the ITV-Sky deal does not go in STV's favour. It has a range of agreements with Sky and ITV, and if those agreements are not protected and, I hope, enhanced, we will not be sitting here talking about STV's news; we will be sitting here talking about ITV's news, and that is the fundamental problem that STV faces.

In our opinion, the ITV-Sky deal is going through largely because of the loss of advertising revenue, which also affects STV. Although it has slightly different challenges from the BBC, STV also has to compete online and match that output despite falling advertising revenue. There is a huge role for the politicians here to play in speaking to and lobbying the Competition and Markets Authority and lobbying Ofcom to make sure that there is proper protection for STV as that deal progresses.

Overall, STV has a reputation for making good-quality programmes. It has had some huge successes in recent years, but it is suffering, alongside the BBC, from cuts to mid-scale programming, which have been going on for several years now. On broadcast output, as commissioning money decreases because of the cuts at Channel 4, Channel 5 and the BBC, STV is focusing more on high-impact, one-off programmes. The specialist factual programmes, the documentaries and the investigative types of programmes that inform and educate people are the ones that are being cut, and that is the bandwidth that STV and other independent production companies in Scotland look to operate in.

The Convener: I come to questions from members. I will start with David Green.

David Green (Caithness, Sutherland and Ross) (LD): Let us start with STV, because you have discussed it in your opening contributions.

Ofcom approved STV's proposal on the basis that 30 per cent of the content would remain bespoke to each region. I represent a Highland constituency, so reflections on the issue of STV North have come up on the doorstep and contribute significantly to my inbox. How do we ensure that that 30 per cent is protected? What advice would you give to the Parliament? What should we be scrutinising?

Nick McGowan-Lowe: You are absolutely right to pick up on the axing of STV North, which was an astonishing decision. However, Ofcom made the decision to approve that, and you might want to ask Ofcom about the circumstances in which it came to do that—that is not for me to comment on.

Going forward, we still have a very hard-working, talented and experienced group of journalists working in Inverness, Aberdeen and Dundee, covering the STV North licence area. How STV is held to the commitment of a minimum of 30 per cent regional content, which I think is averaged over each week, is a question for the regulator and STV itself. I believe that STV is taking the obligation quite seriously.

We now have a single programme going out, and I am glad that Ofcom was able to enter into talks with STV before the consultation began and to add that caveat on regional content, which I think came about only because of the huge public, political and trade union pressure that you mentioned. Without that, I do not think that Ofcom would have asked for those assurances. I am glad that those assurances exist but only as the second-best alternative to preserving STV North. I maintain the position that public service broadcasting has been cut in the face of commercial pressures and the launching of a radio station that does not add anything to STV's public service broadcasting obligations.

Professor Happer: I do not know as much about that side of the industry, but it strikes me that what is happening at STV is another example of the kinds of strategies that we are seeing the sector adopt to adapt to a fast-changing world. The recent STV strategy involved much more internationalisation, more revenue from STV Studios, and, at the same time—I agree with Nick McGowan-Lowe on this—a quite surprising decision, approved by Ofcom, to centralise STV news provision even further. However, as I said, I understand all the challenges and recognise why certain decisions are getting made.

If you look at the reduction in local news provision in the round, to come back to Nick's points about the local press industry and the cuts, closures and impact on staffing but also on actual news provision, it feels as though local news is much more trusted than news that comes from London or even from Glasgow or Edinburgh, if you live outside those cities. The closer to neighbourhoods and communities the news is, the more that people invest trust in it. In the context of a crisis in trust, reducing local reporting further is even more problematic.

However, there is also a point to be made about the way in which people engage with politics in their local community and feel part of a community, and that relates to the reform of councils that the Scottish National Party is engaging in at the moment, because it has a local empowerment agenda. If you consider that alongside the cuts that are being made to local reporting right across these different industries, you can see that people are being further cut out of knowing what is actually going on and are not well informed. I do not see how people can engage in their local communities or even feel connected to them without that kind of content flowing through and making it feel meaningful. However I am not so on top of some of—

David Green: Thank you. I will come back to that, because my colleagues have questions about trust and we will come back to local media reporting. I have to say that I do not entirely recognise the idea of local empowerment as an initiative that we are seeing from Government, but I am sure that we can get into that in the committee and elsewhere.

Paul McManus, I am keen to understand whether we should be monitoring head count or particular aspects of output. How do we distinguish what is happening within that 30 per cent of provision between the north and central licence areas? Obviously, it has been centralised.

Paul McManus: You can use a number of different metrics, such as where the staff were based, and we can look at the output. My experience of STV is that, once it has a deal, it tends to stick to it—until it wants to change the deal, and then it will go back and say, "Right, we need to change things." I make that point because, thinking back, we can see that the proposals were not made in order to make the service better or because somebody somewhere said, "This is a better way to do things." The proposals were made because the board said, "You need to save £3 million—cut the head count." Whenever proposals are brought forward on that basis, I am sceptical because, if that had been a better way of doing things, somebody would have thought of it before. Given the challenges that STV faces, if the trading position gets much worse, it would not surprise me if, at some point next year, we are in the situation where STV says that it needs to save by reducing the head count further.

That is an arithmetical equation. It is not a case of asking, "Where are we going to provide the best news and programme content?", but rather of, "We have to save big numbers off the budget". They will sit down and there will be a bun fight to decide how they do that, and then they will come to you and tell you that it is the best way forward.

As to the deal that it has just now, I am sure that Ofcom will keep an eye on it. We will also be keeping an eye on it. I am not so concerned about whether STV will stick to the current deal; I believe that it will stick to that in good faith—as best it can.

David Green: Paul, we have heard evidence this morning about the particular concerns for communities that are on the periphery, particularly more rural communities. If you reflect on what you have heard in feedback from your membership, are there particular concerns? We can highlight Aberdeen or Inverness, but those are quite centralised points if someone lives in Wick or Thurso or elsewhere. Can you paint a picture of what the impact will be for those more rural communities? How should that particular impact be monitored?

Paul McManus: There is a role for community radio to play in this. There are some very good community radio stations out there, which those communities across Scotland feel quite invested in and connected to. There is a route there to feed back into public service broadcast monitoring.

I am quite sure that we all know people who live five minutes from Pacific Quay in Glasgow and who do not relate in any way, shape or form to either STV or the BBC. There are also people who live in Inverness, or down in Dumfries and Galloway, who are very invested in the BBC and STV. There is not a simple mechanism. However, there is potentially a route for monitoring through the likes of community radio and the communities themselves in order to feed back into what the BBC and STV are doing.

David Green: I am keen for Nick McGowan-Lowe to come in.

Nick McGowan-Lowe: I will come back in simply to say that Ofcom will have set up criteria around how it is monitoring those. It is absolutely clear—

David Green: I am sorry to interrupt. I think that that is right, Nick, and that is helpful. However, part of my line of questioning is about trying to unpack whether we are comfortable with Ofcom's monitoring approach and whether we should be looking at anything different.

Nick McGowan-Lowe: That is a good line of inquiry for this committee during discussion of the proposed axing of the separate edition for STV North. There was a lot of talk about the five-minute opt-outs that existed for Dundee and Edinburgh, which slotted seamlessly into the "News at Six" when it was seen in either the central or the north licence area. When we looked at the numbers, however, we discovered that there was, in fact, only about three and a half minutes of actual news. There was a minute and a half of weather in there, which is different, and cheaper to produce and so on. It certainly was not clear to me whether Ofcom was aware that the opt-out—which I would see as a potential loophole in the licence—was being used in that way.

I agree with Paul. There is no fiercer critic of STV than me. However, I believe that if it has entered into that agreement, it will be monitoring it and seeking to do it. The committee perhaps needs to look at the detail of that, but I do not have any doubt that STV has that commitment.

David Green: Can I ask one more question?

The Convener: Very briefly.

David Green: It might verge into a different topic area, so I will leave it there for now and try to get back in later.

The Convener: Okay. Thanks very much.

I am already a little bit conscious of time, and so I ask everyone to be fairly focused. If every member takes roughly 10 minutes, we will overrun a wee bit, but not intolerably. Members should bear in mind that, if they ask every witness to answer every question, they will be quite limited in what they can ask.

I will go to Pauline Stafford next.

Pauline Stafford (Bathgate) (SNP): I thank the witnesses for their evidence this morning. Obviously, a lot has changed since you were last

at the committee. My first general questions are around the recurring theme of Scotland often being seen as a region rather than a nation. A lot of these decisions are taken in that UK context. What is your view of the axing of the BBC linear channel and how it will affect our distinct autonomy from London?

09:45

I was struck by the fact that all the recommendations in Bectu's submission ask the Scottish Government to monitor, press or lobby the UK Government. That points to the fact that we are not equal partners. We can lobby and we can press but, at the end of the day, as the framework stands, we do not have a lot of power. Will you comment on how we maintain autonomy in the current situation? In addition, given that devolution is rising up the agenda across the UK, is there room for a conversation about devolving those powers entirely to Scotland?

Professor Happer: To be fair to BBC Scotland, that was very much on its agenda when it was looking at the question of relative negativity towards the BBC in Scotland. For example, one of the bugbears was about the fact that a lot of the programmes that were commissioned, and that BBC Scotland then went on to make, were done by teams from London. Last year, it introduced a number of initiatives to change that approach and have more devolved commissioning. Previously, BBC Scotland teams commissioned only the programmes that they made for Scottish audiences. Everything else was commissioned in London. The nations and regions are now much more involved in the commissioning, which is a very positive thing.

However, when it comes to the cuts and the kinds of decisions that have been made more recently, I think that BBC Scotland audiences—or, at least, audiences of the BBC in Scotland—will be more upset about the fact that a team in London makes the decision on whether a BBC Scotland channel continues to exist, runs as a linear broadcast channel or goes online, than they would be about the ending of the channel. That is true. A perception that a team in London makes the really important decisions about whether Scotland deserves its own linear broadcast channel, and that that is, clearly, part of the agenda of the DG, is really problematic.

I am critical of some of the press reporting of the issue. I have seen a few headlines about the BBC Scotland channel move, which almost implied that there would no longer be a BBC Scotland. I have seen a lot of discussion about that online. There is some responsibility there in the whole BBC landscape.

There is a sense that we were not worthy of having our own channel, whether or not people were actually watching it—the truth is that not many people were. The important question is whether the decision was the right thing at the right time—and I am not convinced that it was—and whether there are other solutions that should be looked at. Given that the decision on something so important was made at the top of the organisation in London and was absolutely part of the strategy there, we cannot get away from the perception that there is a complete lack of control over the bigger decisions. That is a really important point.

Pauline Stafford: Before I ask Nick McGowan-Lowe to come in, I will pick up on something that you said in your submission—your original statement—that the conditions were never in place for the channel to flourish. Will you expand a wee bit on that, and do you think that any of the objectives that were set out in 2019 have been achieved in the channel?

Professor Happer: The first of the conditions that I referred to involves changing news consumption habits and the moves towards online and different sourcing of news—indeed, an expanded definition of "news"—which is quite concerning. That trajectory was already in place, but it comes back to my previous point about the Scottish six programme, because, to bring together a Scottish audience, you have to put things in a place where Scottish audiences are already habitually set to engage.

It is not easy to ask Scottish audiences to leave behind a network channel that they have been watching and was an integral part of their life. If the BBC had been serious about bringing together a unified Scottish national audience, it would have replaced one of the services. I do not know whether this was ever part of the question, and it is the nuclear option, but having BBC One Scotland replace BBC One or BBC Two, becoming "the" channel and being a dedicated service, was probably not on the table. That is probably why the Scottish six programme was never seriously considered. Having the channel perhaps not buried in the electronic programme guide but much further down it, when people already orientate towards a channel somewhere else, does not create conditions that would help the channel to flourish.

Pauline Stafford: I appreciate that we are now looking at it with hindsight.

Professor Happer: Absolutely. As I said, the channel was developed for a lot of very good reasons. In particular, research showed that Scottish audiences did not feel that Scotland was well represented. I could check this, but I think that the rate of response to one of Ofcom's questions

was very low and that people said, “I don’t see people like me”. You absolutely want to do something about that and respond to that.

Devolution has been in place an awful long time, but it strikes me that journalism and the BBC’s adaptation to it was not as radical as that constitutional change. It was responding to a very real problem but, at the same time, it did not deliver on it for a range of reasons.

Pauline Stafford: Thank you for that. I bring in Mr McGowan-Lowe.

Nick McGowan-Lowe: I will make two points about the BBC Scotland channel, although I should say that my viewpoint is slightly narrow because I represent journalists, who, although they are a very important part of it, are certainly not the entirety of the channel. When “The Nine” on the BBC Scotland channel was axed in 2024, that needed Ofcom approval; no redundancies were associated with that and the journalists were moved. The NUJ, and I think most unions, want employers to be flexible and put resources where they are best equipped to meet audiences, and that was done at the time. We are in a slightly ludicrous situation with “The Seven”, whereby although 90 per cent of the content will be moved to iPlayer, “The Seven” will not, so there will be compulsory redundancies. Although the axing of “The Seven” would require Ofcom approval and consultation, the moving of the channel to iPlayer does not, which seems inexplicable and something that was not particularly envisaged when Ofcom drew up the guidelines.

In relation to absolute news numbers on the BBC Scotland channel, we went from six hours per week of additional news and current affairs programming, which were provided by “The Nine” and “Seven Days”, to two and a half hours—five half-hour editions of “The Seven”—after those two programmes were cut in 2024, and now “The Seven” is going, too. So, additional news and affairs have been cut by more than half in three years.

Secondly, another concern is that it feels that the BBC Scotland channel has caught people’s attention, and indeed the news, in a way that feels symbolic, with a broadcaster whose relationship with the Scottish people is sometimes less straightforward. As Catherine Happer has mentioned, a great deal of political history is involved in that, which has brought the whole series of cuts at the BBC into greater scrutiny. However, the cuts in BBC Scotland are part of the £500 million-worth of cuts happening this financial year across the BBC. I am not in the room when those decisions are made—I do not know whether that particular decision was made in London or Scotland. I believe that Scottish management will take accountability for it and that it has made significant arguments. However, I am not sure that the BBC could withstand a similar amount of cuts in a second round as those that we have seen in respect of BBC Scotland without people fundamentally reviewing why they are paying a licence fee. If further cuts are made down the line on the same scale and represent the same relationship with viewers and that emotional engagement and attachment, it would fundamentally undermine the BBC’s funding model and relationship with viewers in Scotland.

Pauline Stafford: You are absolutely right about the symbolic take on that decision, which is coming at a really critical juncture in the whole landscape.

I am conscious that I have probably run out of time—

The Convener: You have a wee bit more time, but not much.

Pauline Stafford: Could I wedge in a quick question on skills and training for Mr McManus? The “Scotland’s Sustainable Media Future: Challenges And Opportunities” report acknowledged that

“the scale and nature of the job losses”

in the local and national screen and broadcasting sectors in Scotland are not fully known and that there is a pressing need for research and more robust data in that area. Do we have a clear picture of where jobs are, given how quickly that environment is changing?

Paul McManus: We have a graphic picture of where the jobs are going, so the authors might want to do a bit more research. We are dealing with jobs going every day right across the BBC and at STV, and we are seeing the knock-on effect in the independent broadcast sector.

Every day, we are seeing people with a wide range of skills—everybody from content producers through to technical operators—leave public service broadcasting. We know exactly where the skills are going and a lot of those skills will not be coming back.

Pauline Stafford: Does it feel as though there is a tension there, given that we are talking about making Screen Scotland a stand-alone body, we are increasing funding to the arts and culture portfolio and we have a curriculum right the way through schools? It feels as though there is a disjunct there because we are telling young people that this could be a career for them. Can that be sustained in Scotland? What is your general feeling about that?

Paul McManus: Absolutely, yes—there is a huge question mark against that. There is a huge

amount of responsibility to set up Screen Scotland correctly, so that it can support the industry properly. Creative Scotland has often been criticised as only wanting to hand money out and to be seen to be the good guy to everybody. If Screen Scotland goes down the same route, it will not do a thing for the industry. It needs to be set up in a sustainable and strategic way to support skills development, so that there are careers for people who are coming out of school. At the moment, all we are seeing is the drain of skills from the industry. People with many years' experience of working in all parts of the industry are leaving the industry because there are not sustainable careers for them.

Pauline Stafford: Thank you.

Victor Currie: I have a question for Mr McManus. You mentioned to our predecessor committee the importance of

"a realistic licence fee settlement".—[*Official Report*, *Constitution, Europe, External Affairs and Culture Committee*, 15 January 2026; c 4.]

The BBC's own accounts show that licence income from Scotland rose to more than £300 million last year and that, although the total spend in Scotland was £269 million, the network spend in Scotland fell from £114 million to £91 million. Is the problem how the BBC gets that money or how it spends it?

Paul McManus: The problem is how much it gets. Overall, across the United Kingdom, in the past 20 years the BBC has suffered from successive Governments' austerity cuts. Every year, the salami slicing gets thicker.

The BBC has made commitments in the past about the percentage of its spend that will be spent in Scotland. In some years, it has exceeded that; in some years we have questioned the figures that it has used. However, by and large, it has been thereabouts in relation to the percentage of the UK population. The fundamental problem is that the licence fee is not keeping up with what is needed to deliver top-quality public service broadcasting.

Victor Currie: I concede that point. Licence income from Scotland went up by £14 million while network spending went down by £20 million. Who at the BBC should answer for that?

Paul McManus: You would need to start with the director general.

Victor Currie: Thank you very much. If the convener will allow me a little latitude, I will pivot with my next question.

Professor Happer, your group told our predecessor committee:

"The licence fee based on the principle of universality has been undermined in the digital era".

If the universal model is broken, why should someone in Scotland who rarely watches the BBC be made to pay £180 a year for it?

Professor Happer: It is a good question. The first thing that I would say is that people engage with BBC content in all sorts of different ways and often do not realise that they are doing that. The percentage across the UK is exceptionally high—it is probable that, in an average week or month, there are very few people who do not engage with BBC content in some way.

I would also say that, actually, the role of the BBC and public service broadcasting more generally, and the value that it brings, are things that have to be stated strongly in any resettlement of the funding model, wherever that lands. Public service broadcasting through the BBC was set up in a very different age, to answer a different set of concerns about the growth of mass democracy, mass popular culture and a paternalistic model of bringing superior culture to the masses. I do not want to get into this too much, but we have a totally different set of political concerns now, including a culture of disinformation and the erosion of public trust in democracy more generally.

Public service broadcasting has an ever more important role to play, but I do not see a single bit of evidence that those arguments are being put to the public for why we might need a public service broadcaster in this particular era. I watch the adverts that ask, "What's the BBC ever done for us?" and they look like a 20th century model of what the BBC has ever done for us. The argument could be put to people about the benefits of something that connects us to the place where we live, develops political literacy, mitigates disinformation and builds public trust. That could be done alongside a series of reforms that are necessary to build public trust in the news agenda, one of which would be moving away from agendas set by a centralised source.

10:00

The BBC, the Government and everyone feeding into the consultation have to think seriously about how we take the arguments to the public in Scotland and elsewhere, because public service broadcasting is taken for granted. Older generations, like me, just assume that public service broadcasting is good, necessary and that we should all want it, but I am not sure that younger generations see it like that at all. The answer to your question is that younger generations probably do not believe that they should engage with it, but they do so more than they realise. Even when they are engaging with alternative news sources—people such as Dylan Page—all the footage that they are seeing is from the BBC. They are

engaging with the BBC, so that is the first argument.

The second is the question of why we should care about a public service broadcaster right now. If you ask a lot of young people, they would not be sure. The argument has got to be made to people in Scotland and elsewhere. I hope that that is a big part of what comes out in the next few rounds around the charter renewal. It is so important that those arguments are made to the public, but I do not see that happening, so I think that a lot of people will feel exactly as you have expressed it.

Victor Currie: It sounds like the detail on consumption of what the BBC produces is actually quite a complex topic, but if the flat licence fee were to be replaced, do you agree that people should not be made to pay, whether through a licence or taxes, for a service that they never use?

Professor Happer: Lisa Nandy recently talked about an internet household charge, which would be a charge added to people's broadband bills. I suppose that that goes beyond direct taxation and moves in the direction of everybody paying for the BBC. Public service media is exceptionally important. We have made a few arguments already about the reasons why it should be sustained and we should invest in it. I believe that people should pay for a health service, even if they are healthy and do not need it—it is on that level. I would argue that, even if there is an approach to funding that brings in people who never engage with BBC content—as I say, I think that they are quite small in number—there would still be an argument to make. However, you have got to make an argument for the value of the BBC.

Victor Currie: If I have time, I would like to let Paul McManus come in on that point—I can see that he wants to mention something.

Paul McManus: Professor Happer's last comment about the health service is the most relevant one here. I remember the last time that I was in a hospital. They have probably given up on me, but I am happy to keep paying my taxes for the people that need it, and I pay my taxes so that people can get a pension service. The principle of taxation and community taxes is identical in the case of the BBC. The BBC provides an awful lot of support and services to people who, as Catherine Happer says, do not always use it or do not always realise that they are using it. Until somebody comes up with a better model for my income tax and council tax, I am happy to stick with the licence fee, and I think that that is the view of the majority of people in this country.

Victor Currie: Mr McGowan-Lowe, I am sorry that I was unable to bring you in on that point.

Jenny Young: I want to pick up on a point that was just raised. There is a lot of discussion about how trust in public service broadcasters has been undermined or is lower. Why is that? Who do you think is responsible?

Nick McGowan-Lowe: My starting point is that the BBC is the most trusted news organisation in the world. In any given week, four out of five Scots consume BBC content in some form or other, whether it is online, radio or TV. It is an argument against the concentration of media interests in the hands of individual billionaires. It is, rather notably, the only organisation in the world that has gone toe to toe with a billionaire president for bringing a baseless lawsuit and has looked him in the eye to do that. That feeds in to two of the points that have just been made.

Sorry, could you repeat the question?

Jenny Young: Who or what is undermining trust in the BBC? I entirely agree with everything that you have said, but who or what is undermining trust in the BBC just now?

Nick McGowan-Lowe: On a day-to-day basis, in spending the licence fee, the BBC should absolutely face the same amount of scrutiny that BBC journalists use to hold politicians, organisations and institutions to account.

The BBC attracts a disproportionate amount of criticism; it is a lightning rod for everything that is necessarily wrong in the world. The good Lord has not yet seen fit to create an employer that is immune from the criticism of a trade union official, and the BBC is certainly not unique in that regard.

I note, however, that the BBC attracts far greater criticism, and the type of criticism that it tends to attract is quite different from that directed at commercial organisations such as ITV, STV, ITV Border and so on. That perhaps reflects the audience's relationship with the BBC, and it reflects that the BBC is at the forefront of reporting on difficult issues. It will always face difficult decisions in doing that.

The BBC is not above criticism, but that is not to say that all the criticism that the BBC faces is fair. My opinion of the BBC, as an organisation, is that it is not spendthrift by any manner of means. It probably runs as lean as any other commercial organisation and it probably takes its public service broadcasting responsibilities more seriously than most organisations.

Jenny Young: I agree with your point that the BBC absolutely should be scrutinised, and I think you are quite right that it is perhaps held to a higher level of scrutiny than other organisations and other public institutions in this country.

Do either of the other witnesses feel that some of those involved in our political discourse perhaps bear some responsibility for trust being undermined in the BBC?

Professor Happer: I certainly agree with a lot of what Nick McGowan-Lowe has said. It is a matter of relative trust, in that the BBC is certainly still the most trusted news organisation in Britain, and probably around the world. It holds a lot of trust. It is subject to a range of political attacks, sometimes from its competitors in the media industry, and also by political opponents, who would be quite happy to see the end of the BBC.

We might worry about the things that different kinds of Governments might do, but there is a significant issue with BBC journalism. We recently conducted a study in the Glasgow university media group, looking at media coverage of the cost of living crisis. We have done a series of studies on different topics. The way in which the journalism followed a political line, brought in think tank representatives and very much disconnected with the experiences, the knowledge and the sources that audiences were using was evidenced across a range of different demographic groups.

Journalism at the BBC should be held to a high level of scrutiny, and there are questions to answer about there being a narrow agenda and about the sourcing of experts. The coverage of the situation in Gaza by the BBC has been criticised by its own journalists. A number of journalists have called out the BBC and its very cautious reporting on some issues. That of course has an impact on trust. Yes, the BBC is still better than its competitors, but it needs to be much, much better.

Although levels of trust in the BBC are relatively high—which is 100 per cent the starting point—that trust is highly differentiated. People in the lower socioeconomic groups and younger people trust the BBC less. I would say that younger people probably trust the BBC less because it has been less part of their lives, and they have not had decades and a history of investing trust in the BBC; their relationship with it is not quite the same as for older people. There is no question, however, that things could be done to improve trust in the BBC, and I would start with the nature of some of its journalism.

Yes, the BBC is attacked regularly, and I see an awful lot of comment online that is so misplaced, so inaccurate and so ridiculous. That is a problem in itself, but there are genuine issues.

Paul McManus: The BBC is constantly under attack and criticism from a wide range of vested interests. My colleague has talked about billionaire press owners and other billionaires who could see a financial gain for themselves in attacking the BBC, a lot of which comes through print journalism. We heard earlier about the wild speculation in recent months about BBC Scotland closing down. The people who print that kind of stuff should be held to account for such nonsense.

I agree that there are times when the BBC needs to look to itself and read the room. A BBC manager once said to me, “If everybody’s criticising us, we must be doing something right.” At times, the BBC, as the body in charge of the news, needs to read the room and consider whether it is reflecting the views of the people about big, important issues such as Gaza and other issues that Catherine talked about.

The BBC is held to a higher standard, as it should be, because I do not think that younger folk inherently trust anything these days. In years gone by, we would just say, “If it’s on the BBC, it must be true.” Younger folk are looking online and deciding whether things are rubbish or not; they are moving at a much faster pace. It is not a question of whether they trust the BBC, STV or Google; it is whether they trust the bit that they are reading at that point in time—as far as I can see, that is the way that they operate.

The BBC must be held to a very high standard. There are times when the BBC is judged on cultures that existed 10, 15 or 20 years ago. It is not to say that such things are not happening now or could not happen now, but there has been a big change in the culture at the BBC. To a certain extent, it recognises the standards that it must aspire to, even if it does not always reach them.

Jenny Young: In the increasingly confused media landscape, with so many vested interests and foreign actors who would intend harm on our country, you are right that public service broadcasters are hugely undervalued. I would just caution that we do not overly criticise the BBC in all these discussions. There are countries where the public service broadcaster is now entirely in the hands of the likes of Vladimir Putin or the Chinese Communist Party. We are a far cry from that. I wanted to put that on the record.

Paul McManus: Is that CNN you are talking about? [*Laughter.*]

Jenny Young: The other area that I want to touch on is artificial intelligence and, in particular, its impact on print journalism. Mr McGowan-Lowe, when you attended our predecessor committee, you talked about the use of AI in production and how it farms lots of content that is replicated or slightly tweaked across a range of websites, which is perhaps masking the wider problem that AI is being used by certain outlets or online sources. I would welcome any further reflections that you have on what we can do to address that. Would a

requirement for an AI label on such stories make a difference?

Nick McGowan-Lowe: The threats to journalism from AI are extremely broad. I would love to cover all the bases, but the committee would need to bring a flask of coffee and a sleeping bag if I was going to do that. I will touch on the problem briefly, and we will talk about print media.

Imagine that you go to buy a newspaper, you hand over your money and the newsagent hands it to you. Imagine, instead, that you go to buy a newspaper, the newsagent says, "You don't need to do that; I'm going to tell you what's in the paper today," he reads it off and you leave without paying anything. In print media, that is happening right now, because AI results are causing a massive drop-off in people clicking through to newspaper pages from search results. That is an immediate threat.

The user experience in that example probably does not take into account the journalism that was required, which took time, investment, contacts and so on, all of which had to be funded. However, the funding model disappears if the AI tells you what the story is without you going through to the source, seeing the recommendation and having the opportunity to take a subscription, and without advertisers being willing to pay for adverts on that page. That is just one of the many threats.

We talked about the use of AI to do rewrites of stories, which is a particularly worrying trend. I am glad to see that the worst offender is doing a U-turn on that strategy and is moving from a clicks-on-page strategy, which was advertising driven, back to a subscription model. That is good, but I worry that it has come a bit too late to turn around the decline. To get a subscription model, you need to have unique journalists doing that, and many of them left in previous rounds of redundancies.

10:15

There are many facets to the threats of AI and how it is affecting journalism, trust in journalism and the ability to generate news reports that look entirely authentic. If the committee is interested, I could follow up in writing, but I do not have the time to go into the threats that journalism faces from AI, because it is such a wide subject.

Jenny Young: Thank you. Mr McManus, do you have any reflections from your union's perspective about the impact of AI on the people who you represent?

Paul McManus: Yes. The concerns are similar to those that Nick outlined. Creative content producers are seeing work lost to AI or plagiarised by AI. There is a much broader debate to be had about the controls around AI and the tech companies behind it. That would be the starting point. Prospect, of which Bectu is a sector, is engaging with those companies in a number of ways to try to influence that debate and influence the UK Government as well. AI needs to be thoroughly discussed, thoroughly understood and thoroughly regulated.

Jenny Young: Thank you very much.

Keith Brown (Clackmannanshire and Dunblane) (SNP): Jenny Young and I were recently on the BBC "Debate Night" programme, and perhaps the best question of the night was from somebody who asked in whose interest it is that the BBC fails or declines. Some of the answers were similar to what Paul McManus has described, but there are things for which the BBC is responsible.

I was very interested in Professor Happer's comment about, if I understood it correctly, a Scottish unified audience. Is it not the case that BBC Scotland has given up the ghost on that and has accepted its place? For example, there have been documentaries on the delays to the ferries and the cost overruns, on which there is substantial public interest, with the issue being covered in programmes five days a week. However, we can contrast that with coverage of, for example, the Ajax tanks initiative, which is massively over budget—by billions of pounds—and is way behind schedule, or the crisis in armed forces recruitment, which affects Scotland directly. We were told that we would have 12,000 armed forces personnel, but we have never had anywhere close to that number.

Another example, which relates to a matter that is both devolved and reserved, is the replacement for the emergency call services that the emergency services use. That replacement programme, which is run by the UK Government, is massively over budget and years behind, but it has never been covered by BBC Scotland. I asked Gordon Brewer about it—this goes right back to his time—and I have asked Martin Geissler about it. Surely there is no chance of having a Scottish unified audience when BBC Scotland just refuses to cover those issues. If the defining criteria when it comes to coverage are that the matter is of interest to Scotland and that people should know about it because their money is being squandered, why have those issues never been covered?

Is the root of the problem that BBC Scotland has just accepted its place? This goes back to before the Scottish six programme was kicked into touch, to the point when broadcasting was not devolved. In order to rebuild trust and its appeal, is there a way for BBC Scotland to address that and to cover some of those issues?

Professor Happer: Some of your points relate to the general points that I made about the very narrow agenda at the London level. By that, I do not mean and I am not implying that the editorial agenda for Scottish news is set by London. There was a lot of discussion about that at a particular time in history, which we do not necessarily want to return to.

For Scottish news, it has been quite well evidenced that the agenda is set in Scottish newsrooms and therefore reflects the interests and priorities as they see them. However, any centralised editorial agenda, if it does not involve getting out and speaking to and consulting people and broadening the range of sources that it draws on—if it is continually reliant on the same journalists who were part of the London and Scotland network and if they continually return to the same people and research sources—will be very narrow and will exclude particular stories.

In Scotland, we have the same structure of journalism as there is in London newsrooms. It is important for journalists to get out there, represent the public and do the original and investigative reporting that needs to be done to cover these issues, but journalists are guilty of speaking only to a narrow group. They have their little black books and they continue to go to the same people and the same political groups. What we see is a result of the same processes that we showed in our research. That looked more at the London editorial agenda, but the same things are replicated in Scotland.

As I said, we saw radical constitutional change in 1999, but we did not see a parallel transformation in the way in which journalism was done. On a number of issues, trust in BBC Scotland has been affected by the same processes that I have talked about.

Keith Brown: There is also an issue with relevance. BBC Scotland has decided that it will not touch those issues because somebody else will discuss them, but they are of vital importance to people in Scotland.

I have only one question for each witness, and the next one is for Mr McGowan-Lowe. It relates to something that Professor Happer said. I know that we are concentrating an awful lot on the BBC in our questions, but we need to consider how it is trying to adapt to the influence of YouTube and so on. Is it just me or is there a general view that broadcasting is different because it is hedged with lots of legal obligations, it gets more scrutiny—certainly more than print media—and it is protected?

When you guys were before the committee previously, you said that, when people switch on their TVs, more of them now access YouTube than terrestrial channels. Is there a danger in that, if the BBC goes down that route, the protected nature of public broadcasting will be under threat, because the lines have started to blur?

Nick McGowan-Lowe: We have talked about people getting news and entertainment from YouTube. That affects broadcasters in two ways. First, it affects viewership, in that it is a new competitor that did not exist previously. Secondly, advertisers are moving there, which affects the commercial broadcasters.

You are absolutely right—the BBC, STV and ITV Border, like the print media, exist in a regulated industry. There are strict regulations on channel 3 licences and on what can be shown, and there are the Ofcom rules and so on. Sometimes, there are also reporting restrictions, and they exist with that fear.

The concern about the BBC chasing audiences using YouTube is that, at the moment, it does not have greater prominence than any other broadcaster. There has been a great push by Ofcom to get the terrestrial channels high up on smart TVs so that they appear fairly quickly at the start, which will drive viewers to them. However, that has not been regionalised, which is a real shame. STV does not benefit from that in the way that ITV does. That needs to be addressed, so the committee might want to lobby Ofcom and other authorities on it.

With the BBC departing and the talk from Matt Brittin of content going on YouTube, there is a slight concern about whether that content will always carry the same quality and diligence that we expect from the BBC on linear channels and on iPlayer. Will there be a change in that regard? I very much hope that there will not.

Keith Brown: The point about where things come in the channel list is interesting. I do not know whether you have ever tried to find out Scottish football results on the BBC, but a lot of patience is needed to do that.

My last question is for Paul McManus. In the previous committee's inquiry, we all talked a lot about the "River City" situation being a huge issue because it would take away opportunities for sound technicians, production staff and so on. I hope that the committee will write to the CMA, as you suggested. We do not have powers in this area, but we can write to people about some of the issues that you have mentioned. Have you seen impacts of the decision to disinvest in "River City"?

Paul McManus: In some respects, the effects of "River City" closing down have been mitigated through the shows that the BBC has commissioned—although I would not argue that they are a replacement for "River City"—its

significant investment in training funds and its work with Screen Scotland. There are a number of high-end dramas, and a large number of trainees are coming through BBC, Screen Scotland and Bectu vision initiatives to mitigate the situation. The "River City" prop store has also moved to Troubadour Studios in Stirling. Therefore, there has been large-scale mitigation of the effects of "River City" closing down.

Colin Beattie (Midlothian North) (SNP): We have touched once or twice on the question of the changes in how audiences consume what they receive. Have the BBC and STV been too reactive rather than proactive in that regard? Is it the case that they are reacting to what is happening in the market and so they will always be a step behind? Should we be seeing more innovation, given that they are, supposedly, market leaders?

Paul McManus: At times, the BBC in particular has been too reactive, whereas STV's previous chief executive came into post around 20 years ago, and one of his first directives was that it needed to get ahead of being online. STV has consistently performed extremely well on that.

The reactivity comes from trying to strike a balance between maintaining a broadcast audience and attracting a younger audience online. We are now hearing ITV public service broadcasting predictions that say that the decline in broadcast television audiences is happening much faster than anybody predicted, even just over the past 18 months to two years. That is where the reactive bit comes in, because everybody is losing audiences faster than expected and is asking how they can convert their offering into even more online content. STV in particular has done well with its online offering. In some areas, the BBC has done well; in other areas, it needs to do a bit of catching up.

Colin Beattie: In a way, it is surprising that the likes of the BBC is not among the leaders in this—driving it, rather than coming from behind and catching up. Is that a fair statement, Nick McGowan-Lowe?

Nick McGowan-Lowe: I struggle to find the basis for that argument. For example, the BBC iPlayer was—and continues to be—way ahead of its time as a platform for public service broadcasting, entertainment and so on. It is quite unparalleled. It has been copied, but it came before all the other ones, so I do not feel that it is coming from behind to catch up.

I have been in the media industry in Scotland for 30 years. In that time, the industry has changed at an alarming rate that we perhaps did not see in the previous 30 years, and it is quite difficult to predict where it is going to be in five years, 10 years and so on, so that is another thing to bear in mind. There are significant challenges and headwinds. Huge players, such as Netflix and Amazon Prime, have entered the industry, and they are fundamentally affecting commercial operations and audiences. Ultimately, that has a knock-on effect on news operations, which are particularly my concern.

The BBC is responding to that, and there is a huge amount of data on where its audiences are, which it knows in great detail. It knows which stories are finding audiences—which are read and which are popular—and it can make editorial decisions with that information in front of it. Yes, the BBC is reacting to a change in the market, but the market is very much unchangeable at the moment, and that unchangeability is a real threat to public service broadcasting.

Coming back to what the committee is driving at, public service broadcasting across the BBC, STV, ITV Border and elsewhere needs to be defended. Having looked at the STV North decision, the committee might well come to the opinion that Ofcom, as an organisation, is not fit to protect public service broadcasting. In that case, it will come down to the trade unions and audiences coming together and politicians applying pressure.

10:30

Colin Beattie: I will stick with the topic of audiences. To what extent are the present rounds of cuts in services being driven by the need to respond to audience changes and free up resources in order to compete?

Professor Happer: I agree with the previous point that the cuts are really about the unsustainability of the licence fee model, and some of that has been about successive Governments expanding the remit of, and reducing the budgets for, the BBC.

However, there is no question that a lot of the changes are in response to, as Nick McGowan-Lowe said, the rapidly evolving technological marketplace. It is very difficult for a public service broadcaster or, indeed, any media organisation, because big tech global companies design and own the digital infrastructure through which every other communications system flows. If big tech decided to turn off the BBC tomorrow, it could do that. That is the kind of power that it has.

In that landscape, everything starts to mirror the apps and the affordances of the platforms as they are designed. The BBC response is the strategy that has been developed by Matt Brittin. I am sure that he was given the job because he knows that technological landscape. His response seems to be that the issue is the form of media and where it is found, rather than the type of journalism, how

that connects and the role that it plays in terms of public service broadcasting.

In the past few weeks, one of Matt Brittin's actions was to launch BBC news on YouTube. I do not know how prominent the channel is, but it is available. I do not know what the future will be, but I guess that that would be a cheaper way to put out the news.

As we said before, you get to the point at which the news just gets lost in the mix of all the other news content providers. Audiences have a much-expanded definition of news. When I ask my focus groups where they get their news from, as I mentioned, someone like Dylan Page is mentioned. He is known online as News Daddy. I do not know whether anyone here knows who he is, but everyone under 35 knows who this is, and more so than they know the BBC. To them, his content is news. In that culture, you must make an argument for the value of a public service broadcaster.

I will give you another example from our focus groups that to me is incredibly concerning. Political literacy about Scottish politics, particularly among young people but across the board, is very low. I am talking about knowledge of political actors, policies and Parliament. Many people in our focus groups could not name the First Minister.

This is not an argument that media audiences are less sophisticated than they used to be; it is an argument that media audiences must be 10 times more sophisticated than they used to be, because they are engaging with information from all sorts of places. We might previously have thought it a simple thing to ask audiences to navigate politics across two different Parliaments, two different sets of policies and all the rest of it, but, in this environment, doing that is incredibly difficult. That is where a public service broadcaster is essential, because people are going out to vote in elections when they have read a whole load of disinformation, and they have no idea what or who it is they are voting for.

This is about the health and welfare of our nation, much like the public health service. To me, it is at that level. We cannot simply hand this over, place the content online and assume that all will be okay and people will find it. It fragments the audience, and it diminishes the value and the importance of what is included.

Nick McGowan-Lowe: The crisis that we see in BBC Scotland and the cuts that we are facing are not fundamentally down to an audience crisis but down to a funding crisis that has political origins going back well over a decade.

The BBC has been asked to absorb huge additional costs, which has taken many millions of pounds out of front-line news gathering. The BBC, not the Government, now funds the BBC World Service. It funds the local democracy reporter service, and those reporters cover areas of interest, including councils. Although they are funded by the BBC, they are employed by news organisations—which are often too quick to blame the BBC for their own problems. In addition, the BBC must absorb the licence fee for the over-70s. Indeed, all the measures that it has been asked to take add up to hundreds of millions of pounds.

The funding crisis that we see in the BBC has been a long time coming. It goes back to when George Osborne was chancellor, and it is now coming home to roost. That is the problem; it is a funding problem, not an audience problem, because the BBC does, and the public service broadcasters in general do, a very good job. The difficulty is that the cuts will not allow them to do that job going forward.

The Convener: We have overrun a bit, but I am aware of two further questions—one from me and one from David Green—and I am keen to squeeze them in if we can.

Professor Happer, on several occasions today you have placed broadcasting in the broad historical context of when it was a relatively new medium. What emerged might have been a bit paternalistic, but after 100 years or so, it has turned into what we today call the public service broadcasting ethos, and it is now merging with a comparatively unregulated space that is shaped by not only billionaires but also extreme political partisans. Would you go as far as saying that public service broadcasting as a concept cannot survive that transition, unless we talk about how we more robustly and comprehensively regulate the online media environment, and that public service broadcasting cannot survive as a little bubble within that, unless we take that wider regulatory view?

Professor Happer: Yes, I would say that. It is an existential crisis for the BBC, and those issues cannot be separated. The regulation of the online environment has been incredibly difficult, and with the Online Safety Act 2023, it has been chasing its tail a bit.

It has been very difficult simply because of the pace of change, which we have talked about. A year ago, we would not have been talking about AI, and now we are. That regulatory space is incredibly difficult. It is also the case that many of those companies are owned in the US, and there is a pretty unregulated free market approach there right now, which is not helping matters.

At least in the European context, and certainly in the British context, it would be very difficult, if not impossible, for public service broadcasting and the

BBC to survive without some regulation of that environment. There are news providers who, as I say, audience members believe to be journalists and describe them as such, but they adhere to absolutely no criteria in terms of professional standards or norms of journalism that we would ever recognise. People imagine them to be trusted journalists, because that is the way that they speak about people. I have used Dylan Page as an example because that is who came up every time. I had not heard of him either.

The Convener: Several members are frantically googling him.

Professor Happer: The idea that those people are seen as comparative sources that are to be trusted must be dealt with at the level of regulation.

I come back to my previous point. There is a big public relations job to be done here. There is a public consultation going on right now about the future of public service broadcasting, but I go into one of my lectures and none of my students know it is even happening. If you were to ask them about public service broadcasting, I am not even sure they would be able to give you a clear definition.

The Convener: People were not necessarily asked when public service broadcasting was thought of as a concept in the first place.

Professor Happer: No, they were not. That is a good point, because if the BBC, with that paternalistic model and with the threat of a mass or popular culture that everybody liked, was told that that was the model, you could not have done a consultation to return that answer, but when it came along, it had this great value, people invested in it and it was the success story of the 20th century. However, conditions have changed, so we need to change the argument, but regulation is a huge part of it. It is an existential crisis.

The Convener: The final question is from David Green.

David Green: Thanks, convener—I appreciate it. We have heard a lot about broadcasting, and Professor Happer, you talked earlier about the importance of local news, which I entirely agree with. It is fair to say that Scotland is a very diverse country and what interests communities in Glasgow is certainly different from what interests communities in Inverness or further north.

The Scottish Beacon's campaign launched in the summer in response to a UK Government fund of around £12 million for local news. We will be taking evidence in a few weeks on that prospect. In the time that we have left, can you reflect on whether we need a Scottish equivalent?

Professor Happer: It would be a good idea to invest in local journalism at this point. Another strand of our research at the media group is around talking to local councillors about their engagement with local reporters. We have seen a decline in the relationships and the trust between them, partly because of staff cuts. There are just not as many journalists present at events and engaging with the issues that councillors engage with.

That is having a knock-on effect on the kind of journalism that is reported in the local press, because local news now often comes from the other side of the country and is clickbaity or based on duplication—Nick McGowan-Lowe talked about some of those issues. Local news is about people engaging with their communities, getting involved in local politics and feeling part of their neighbourhoods and communities and the country—it is where that all starts. There is always higher trust in local journalism.

Nick McGowan-Lowe: I am glad that you highlighted that point, David Green, because it gives me a chance to talk about something positive, which is that Scotland has several media initiatives. You mentioned the Scottish Beacon collective, but there are other examples, such as *The Bell* in Glasgow, *The Ferret* and so on, that also do a fantastic amount of work and journalism. They cover stories that are not being covered elsewhere, either on their own or by feeding in to other news brands. In doing so, they are ploughing a furrow for journalism to exist on the ground.

If you accept my argument that the regulator, Ofcom, is perhaps not fit for purpose, and if we are looking for political solutions, then things such as anti-strategic lawsuit against public participation legislation will be fundamental for defending public service broadcasting. Such legislation will come before the Parliament in the current session. SLAPPs are when men—it is always men—with thick wallets and thin skins try to deter honest and straightforward reporting with threats of legal action. Those threats are basically frivolous, but it is very expensive to defend against such cases and to get to the point at which they are thrown out.

However good things such as *The Ferret* and *The Bell* might be, as I already mentioned—and there are also community organisations that do fantastic work in the south of Glasgow—their economic models are not replacing jobs on the same scale that they are being cut away elsewhere. However, they could well do that, and the Scottish Public Interest Journalism Initiative, which is a group that Catherine Happer and I are involved with, is attempting it. The group came from a report that was published by the Scottish Government that recommended that there be a body to co-ordinate local journalism and find sustainable models for funding. If the committee

would like to have more information on that, I would be happy to send it over.

Paul McManus: There is sometimes a danger of trying to do too much with too few resources and then taking away from everything—I made the same comment about Creative Scotland. The focus of the committee's inquiry is public service broadcasting and the two big questions that you need to address are, how will we protect public service broadcasting in Scotland throughout the ITV-Sky deal and how will we campaign for a politically independent, properly funded BBC? Everything else flows from those questions. If we do not get them right, the sorts of initiatives that we have been talking about might, in a couple of years, be the only initiatives that we have left.

The Convener: I thank you all for the time that you have spent with us and the evidence that you have given. We have gone on for a bit longer than we intended to, but that reflects the importance that members attach to the issues that we have been discussing. We will suspend for a couple of minutes to allow for a change of witnesses.

10:43

Meeting suspended.

10:45

On resuming—

The Convener: We move to our second panel of witnesses, who are from Ofcom. I welcome Glenn Preston, who is the Scotland director, and Cristina Nicolotti Squires, who is the broadcasting and media group director. Thank you very much for joining us. I note that you were sitting listening to the previous panel's evidence session. You will therefore be well aware of some specific concerns that have been raised about recent industry and Ofcom decisions on broadcasting and news in Scotland, as well as some deeper concerns and anxieties about what has been described as an "existential crisis" for public service broadcasting.

I will start with a general question. Are Ofcom, as an organisation, and the current regulatory landscape in the UK up to the challenge not only of dealing with individual decisions as they arise in a way that serves the public interest, but of responding to, averting or even recognising what has been described as an "existential crisis" for public service broadcasting?

Cristina Nicolotti Squires (Ofcom): Good morning and thank you very much for inviting us.

In answer to your question, I remind the committee that Ofcom carries out a review of public service broadcasting every five years. We consider how broadcasters have performed over the past five years, and we also look forward.

In July 2025 we published a report called "Transmission Critical—The Future of Public Service Media". I chose that title on purpose, because I feel that this is a critical time for public service broadcasting. I hope that you notice, even from the title of the review, it is clear that we recognise the difficulties. In it, we talked about the importance of public service broadcasting for the whole media industry. In fact, the creative economy, in Scotland and across the United Kingdom, plays a really important part in that vital creative economy, which brings in a great deal of revenue.

We called out six different areas that we felt needed to be addressed for the creative economy not only to survive and sustain itself but to thrive. Sustainable funding was a major part of that. Prominence was another—and not just on smart televisions, provisions on which we are about to enact as part of the Media Act 2024. We are also considering how prominence might be delivered on video-sharing platforms such as YouTube and perhaps even on social media. I am not saying that we have the answers on all those points, but those are very important questions.

We called out the importance of media literacy so that both young people and older people understand the digital world in which they are now living. We talked about having clarity on the future distribution of television and how long the digital terrestrial television—DTT—system would go on for. We talked about the importance of public service broadcasters entering into partnerships. They can still be great rivals for creating great content, but we felt that there are a lot of things that they could share. We also discussed the part that we could play in reviewing regulations that might help to free up time and space for broadcasters. We have published the results of a call for evidence on that.

We were really pleased the UK Government has picked up all those recommendations and included them in its media green paper, which was published last summer. As we understand it, work is under way to produce a white paper that discusses taking forward those issues and making proposals. That is for the UK Government to decide, and I am not privy to the decisions that it makes, but we are pleased that our recommendations were taken very seriously.

Here in Scotland, like everywhere else across the United Kingdom, public service broadcasters face real challenges, which have accelerated even in the time since our report was published. As you will have seen, Channel 4 is cutting lots of jobs, and the BBC has to make substantial cuts. So far,

we have seen only £200 million out of £500 million that it says it must cut. We are very concerned to make sure that audiences are served by these public service broadcasters.

To answer your question as to whether we are ready to take on the challenge, yes, we are. We have been very keen to ensure that regulation changes as the world in which people consume content changes. As I said, we are very pleased that the Westminster Government took on board our recommendations.

The Convener: Is it plausible to argue that the changes that STV announced previously, which Ofcom approved, and the changes that the BBC has recently announced, will better deliver on the aspirational values for audiences in Scotland that you just described?

Cristina Nicolotti Squires: I will take the points about STV and the BBC separately, because they are slightly different issues.

As the committee knows, STV asked to vary its licence. After much discussion, it agreed that 30 per cent of the programme in the evening would have content bespoke to the two different licence areas. I will share some figures on how audiences have behaved since the change was brought in. First, I note that it was a difficult decision. I have been a journalist for 35 years, and I do not like the idea of anything being restricted in any way or for any purpose. However, at the end of the day, news, like all other businesses, is facing very strong economic headwinds. We wanted to ensure that STV was on a sustainable footing for the future, so we made that decision.

Since the format change, the audience share is, in fact, up from 29 to 31 per cent. The size of the audience, as opposed to its share, is about the same. On the digital front, in the year to date—January to October—there have been about 70.3 million video and web page views, which is up 11 per cent year on year. I do not know how many of the digital people are the same as the TV audience. Generally speaking, in my experience, you get incremental audiences on digital.

The changes that we approved mean that STV's journalism is, in fact, going to more people, which is the important thing. As I said, it was a difficult decision, but we added some requirements, such as that the news-gathering resource absolutely stays and that 30 per cent of the programme must be bespoke to the two licence areas. We will be monitoring that very closely. I know that there were some questions about that earlier, and I am happy to expand on it.

We told STV that it needs to be very transparent about how it is doing that, and I believe that it is taking it seriously. Each year, it must also provide a statement of programme policy, which is another mechanism that we will use, alongside our audience research and the data. I can commit to the committee that we are absolutely determined to make sure that it fulfils the promises that it has made.

The BBC is still very popular in Scotland; 82 per cent of people use it regularly. As the committee knows, it has a big financial gap that it must fill. Obviously, the committee will need to ask the BBC about that when it comes before you. However, I happen to know, because I was told, that the decision to close BBC Scotland as a separate linear channel was, in fact, made in Scotland, not in London. Each nation was told that it had to make the same amount of cuts, and that is what BBC Scotland put forward.

It is important to be clear that Ofcom is unable to tell the BBC not to close BBC Scotland as a linear channel. Such a role is not part of our remit. Editorial direction and strategy are responsibilities of the BBC board, not Ofcom. Our job is to ensure that audiences are served properly.

Last week, I wrote to the deputy director general of the BBC, Rhodri Talfan Davies. I am very keen that we get a much more consolidated picture of the cuts, which we are currently hearing about in dribs and drabs as they are enacted. We are very concerned that what we have seen so far is £200 million of the £500 million. I am concerned about what is coming next and, indeed, from talking to the BBC nations directors, I know that they are all quite concerned about what comes next.

When I visit BBC Scotland in Glasgow in a couple of days, I will ask what it is doing to ensure that audiences who receive, for example, "The Seven" will be served. I have not been told that yet. That is what we will hold the BBC to account on. Things are absolutely fine for any programme that it puts online, but it is for the BBC to tell us how those audiences will get the news, the information and the programmes that reflect them. Every year, we publish an annual report into the BBC—this year's comes out next week—in which we are very clear about what it needs to do to ensure that audiences are catered for wherever they are, but particularly in the nations.

The Convener: Glenn Preston would like to come in.

Glenn Preston (Ofcom): I have a supplemental point on the closure of the linear BBC Scotland channel and, specifically, on the proposal to no longer provide the "Reporting Scotland: News at Seven" programme, which came up in your first session.

The BBC carried out a public interest test in 2017 before the launch of the BBC Scotland

channel in 2019, and it proposed that the hour-long news show should air at 9 o'clock. A couple of years ago, the BBC came to us because it wanted to reduce the number of hours from the initial 250 to 125, arguing predominantly that the audience for the 9 o'clock show was very small and that people's viewing habits were shifting online, as you discussed in the earlier session.

In its business case, the BBC explicitly set out that it wanted to serve C2DE audiences. It saw that show as an extension of the "Reporting Scotland: Evening News" programme at half past 6 but serving a different type of audience. We are not yet clear what the alternative for serving that audience looks like in Scotland, which is why Cristina has written to the BBC. We have sent a similar letter to Màiri McAllan, the Cabinet Secretary for Education, Culture and Gaelic, outlining that we will engage with the BBC not only at a UK level but at a Scotland level to understand how it will serve those audiences in the future.

The Convener: I will come to members in a moment, as I am sure that there will be questions on some of the specifics of that. However, I want to put the bigger-picture question to the witnesses, which we finished the previous session on. As what we currently recognise as the public service broadcasting landscape merges into a significantly less regulated online space—although Ofcom has some powers in that area, they are nothing like those that have shaped the public service broadcasting ethos—is there not a real danger that what is left of public service broadcasting if we are sitting here in 10 years' time is an unrecognisable, withered fragment of what we have even now?

Cristina Nicolotti Squires: I really hope not, because that is what I, in my role, am trying to avoid.

The Convener: Does Ofcom have the powers to regulate the online space in a way that will create any possibility that that does not happen?

Cristina Nicolotti Squires: We will publish our BBC online code next week, along with the BBC annual report. For the first time, we will be regulating BBC content irrespective of where it appears. Content made by the BBC that appears on YouTube—

The Convener: Forgive me, but I hope that I am not getting the question wrong. My worry is that focusing on how we regulate public service broadcasters while plunging them into a pool of unregulated disinformation will not work.

Cristina Nicolotti Squires: I agree.

The Convener: Surely we need a wider approach to how we regulate the space in which those broadcasters will now be operating, which is already more powerful than they are.

Cristina Nicolotti Squires: Absolutely. I was just trying to give you an example of how our regulation is changing, because we will be regulating the BBC, irrespective of what platform it is on. As you have seen, the video-on-demand platforms are coming under regulation in about a year's time, so all the standards that apply to our linear television programmes will also apply to programmes on Netflix and Amazon.

One thing that we talked about was the review of regulation. How do you regulate in a world where content is increasingly consumed online? There are approaches to doing that, but you will find that, although they do not have to, public service broadcasters tend to choose to regulate their content, wherever they put it, to the same standards as if they were broadcasting it on television. A really big part of their brand is that they are trusted more because they adhere to a higher standard. I think that those standards will continue.

The Convener: But will that not still sit alongside conspiracy theories, right-wing extremism and unregulated disinformation?

Cristina Nicolotti Squires: Yes, of course, which is why media literacy and giving people the skills to determine whether something is credible, whether it is a conspiracy theory or whether it is pure reporting, is so important. I agree, however, that that is a really big challenge.

11:00

Glenn Preston: I will add a couple of thoughts. The question is a fair challenge. As you said, there are provisions—not only in the Media Act 2024, which we are continuing to implement, but in the Online Safety Act 2023. Over the summer, we have consulted about protections for journalistic content, for example. That will require category 1 services—essentially, the biggest platforms that you can think of—not to restrict or remove content, for example, or to work with news publishers on removal of content before they can do that. There are moves in the right direction, I think, to address the points that you made. Those platforms that have been unregulated for 20-plus years will now be subject to regulation.

It was not particularly touched on in your first session, but the UK Government green paper that Cristina Nicolotti Squires referred to—she also mentioned the Government white paper; we expect that in the coming weeks—had a lot to say in that regard. It looks as though there will be proposals for legislation, particularly to tackle some of the challenges of misinformation and disinformation that you referenced. However, that is probably still a year or two away.

Jenny Young: I thank the witnesses for coming along. I will pick up an issue that relates to what the convener touched on: artificial intelligence and the huge impact that that is having on news, broadcasting and content creation more broadly. Will you give a broad view of how we can more effectively regulate or manage—"police" is maybe the wrong word—AI-generated content, of which there is a proliferation at the moment?

Cristina Nicolotti Squires: We have been talking to broadcasters and a wide range of stakeholders about how that might be done. It is a really interesting topic. AI has been used differently in broadcasting from how it has been used in the print world. I used to work in the latter field, but I am no longer an expert, so I cannot speak to that. In broadcasting, it is being used differently, and beneficially, to translate and to help to verify content, but PSBs are not using it so much. In some production companies, it is reducing costs by helping to recreate scenes. For example, you used to shoot on a green screen but, now, you get AI to create your background.

The most important thing is to ensure that people flag when they have been using it. Quite a lot of the public service broadcasters that have used AI will flag that on their web pages, and we encourage that.

I do not think that we can regulate AI per se as one big thing, because it is so many different things, but building trust in audiences is important. Our broadcasting code has a section on materially misleading the audience. A complaint could be made against a broadcaster who created a sequence but pretended that it was reality, which might lead to their being found in breach of the code. There are provisions in our broadcast code to regulate that. It is an important area, and we talk to people about it all the time.

Glenn Preston: The Online Safety Act 2023 has also created a new form of governance within Ofcom, called the online information advisory committee, which is a group of independent experts who provide advice to Ofcom in its thinking about policy development and approach to regulation across what we do—specifically, for example, in the context of misinformation, disinformation and trusted news. We have that capacity. It has a small research budget, which allows it to look into such issues and provide advice to us. It will probably develop further in the next few years.

Jenny Young: Thank you very much. That is really helpful.

One site on which there has been huge misinformation, and just complete drivel at times, is X. A lot of content that is shared is AI generated or entirely false, as was highlighted by the NUJ and others. I understand that you are conducting an investigation into what is being posted on such platforms. Will you talk a little about that and about anything in the Online Safety Act 2023 that relates to that?

Glenn Preston: You are right. We have undertaken a number of enforcement cases across a range of platforms this year. There were particular concerns, for example, about X's introduction of Grok as a service and about nudification. At Ofcom, we have a supervisory and enforcement function that has been working not only with X but with a range of platforms, and we have brought forward enforcement cases. I do not have the details with me, but I would be happy to send them to you if it would be useful for the committee.

Jenny Young: That would be really helpful. I think that it also speaks to the convener's point about wider regulation of the online space beyond public service broadcasters.

I also want to touch on production quotas, which is an issue that has been raised with us. It was raised with our predecessor committee, too, and it is, as I am sure you will know, well documented. Bectu, which gave evidence earlier, has said that a company based in London that used a Scottish crew would not meet Ofcom's quota requirements, whereas a Scotland-based company could use London-based people. There seems to be a bit of a loophole, or flaw, in the system at the moment. It is probably well intentioned, but when we look at the realities of how it is working out on the ground, it does not seem to be resulting in more production jobs for people in Scotland and all the rest of it.

Glenn Preston: I am sorry—I am not quite sure that I understand the point that you are making. We produce made-out-of-London guidance. It is called regional production guidance and it sets out criteria that focus, essentially, on what I guess you might describe as production activity. There is what is called the substantive base criterion, which might address the point that you have just made about the main location of a particular producer, and there are other criteria with regard to spend, off-screen talent-related things and so on. That space has definitely been contested with the likes of Screen Scotland, for example, and some independent producers have felt that the broadcasters, who are actually the ones bound by the regulation or the rules, have been—to use their words, I think—kind of gaming things.

We have, in a couple of instances, gone into this matter in detail with broadcasters, and we have talked to them to see whether, when they commission things or reach commercial arrangements with production companies, the criteria are being met adequately, to ensure that

productions can be defined as Scottish under the rules. We are continuing to look at that; indeed, we carry out periodic checks to test whether broadcasters are doing it. There was, I think, a particular focus on the BBC, and it announced last year that its expectation was that, when things were produced in Scotland, all of the production companies that it struck commercial deals with would have to meet at least two, if not all, of the criteria in the regional production guidance. We have seen some movement in that area.

I think that the committee already has this, but I would just mention a new report that has been produced independently on behalf of Screen Scotland, which has started to broaden out the conversation about how production quotas might work in the future. It signals a move away from the production activity that I was describing to more of a focus on outputs or growth. There is some quite interesting stuff in that report, and we will definitely need to sit down with Screen Scotland, indie producers and the broadcasters to discuss it. It is one of those examples where the broadcasters will, on the whole, argue that the system works quite well, while most—or lots of—independent producers will argue that it does not always work for them, and our job will be to bring those two opposing views together. However, I think that Screen Scotland's additional report provides a very helpful way of engaging in that discussion.

Jenny Young: That was really helpful.

A broader question, I suppose, is whether we have the skills and talent pipeline that we need in Scotland. Are we training enough people in these skills? There might be huge numbers of young people wanting to go into these industries, but do we have the routes in Scotland to make that a reality? Do we genuinely have enough appropriately qualified and trained people to make programmes in Scotland? I do not know whether you have any thoughts on the skills side of things.

Glenn Preston: It strays slightly outside our regulatory remit, but we are not uninterested in it. Clearly it is relevant to continue to have that talent pipeline.

It was mentioned in the previous session that the BBC has a decent track record of introducing people into early-career production roles. There was some conversation about whether the closure of "River City" would have a big impact, but the evidence seems to suggest that, with some of the drama that has been invested in, it is still able to offer such opportunities. It also links up with Screen Scotland, Skills Development Scotland and other agencies in Scotland to explore how that approach can be supported.

I do not know whether this still stands, but STV had a long-running relationship with the University of the West of Scotland to give people doing undergraduate degrees some practical experience. There are good working examples in that respect.

One of the most significant developments—which, as I said, is not really related to our regulatory duties—was the introduction of a curriculum by Screen Scotland for curriculum for excellence. I forget the age group that it is intended to cover; it is at least for secondary school pupils, if not for the entirety of the school population. As a new development, that will take a long time to bed in, but it is a very welcome one that I think you will start to see long-term benefits from.

Jenny Young: Thank you.

Victor Currie: Ms Squires, my question focuses on the point you made about Ofcom being there not to nudge editorial or programming decisions but to ensure that audiences are properly served. The earlier panel of witnesses emphasised that public service broadcasting should be held in parity of esteem with, say, the national health service, because it is providing a public good, and, following on from that, that there would be uproar if health services were to cut services simply due to there being a small number of patients.

In my region, there are internet blackspots, and many people have caring responsibilities and work shift patterns that mean they do not have the same freedom as others to view content in a manner of their choosing. You mentioned that, in the decision to cut "The Nine", there was some emphasis on the fact that it had low viewing figures. Does Ofcom see low viewing numbers as a justification for cutting content or programming?

Cristina Nicolotti Squires: I do not think that it is ever as black and white as that. Viewing figures are one of the contexts that we would take into account. The committee will have the opportunity to ask the BBC about this, but, in some of my early discussions with the BBC, it gave as its rationale for closing some services the fact that they were of low value in that the licence fee was being used for the benefit of a relatively small number of people. At the end of the day, when any organisation has to make cuts, it will look at where it gets the most bang for its buck.

I think that that factor would be considered, but it is only one of the factors. Regulation in this space is quite often about ensuring that content is created that would not be there if it were not for regulation, so it is important that metrics are never the only factor.

However, it is important also to make sure that organisations, particularly the BBC, are allowed to innovate. When we agreed to cutting "The Nine" to a half-hour programme at seven o'clock, one thing

that the BBC said it would do was put more into podcasting. “Scotcast” has been one of its success stories in terms of the number of people it is reaching.

It is important to measure the numbers across all the different outputs. I take your point that, in some areas, people do not necessarily have broadband access—that will improve over the years—or do not use digital news so much, and getting to different audiences, wherever they are, is an important part of what the BBC has to do. Whether it is delivering to audiences in a podcast, a radio programme or a digital programme, or on linear, those audiences are all important.

To summarise my answer to your question, it is never just about audience numbers, but that will be a factor.

Victor Currie: Okay. Thanks. You answered my follow-up question as well.

Keith Brown: As Victor Currie said, you mentioned that the role of Ofcom can be quite circumscribed, but it is there to ensure that audiences are well served. I have a couple of specific, quick questions.

I asked this question the last time you were here, but you treated it with such disdain that I did not really get an answer. When Sky or other outlets have a programme on at night called “The Wrap” or some such thing, it usually involves a review of the papers. Newspapers have a dwindling number of readers and, in this country, I think most people will accept that they are extremely skewed towards the right wing, so the programme starts off on a skewed basis. It normally has one presenter, usually from London, who is vaguely left wing and one who is vaguely right wing, and they talk about and give their opinions on all sorts of stuff. Those programmes continue right through regulated election periods, and they give a very slanted view of things. Very rarely do they have anybody from Scotland on them, although the people who are on them will occasionally address Scottish issues with a remarkable degree of ignorance.

Does that not concern a body that is meant to be about ensuring that an audience is well served? How well do you think the audience in Scotland is served by programmes with that kind of format, which are on every night of the week?

11:15

Cristina Nicolotti Squires: It is important to point out that Sky is not part of official public service broadcasting, so it does not have quotas and things, although it needs to adhere to the broadcast code. If its programming is not duly impartial and does not contain a range of views, we will investigate, and we have done so in the past.

I am very sorry if you thought that my response was disdainful—I really did not intend that at all. The point that I was probably trying to make, which I will try to make again, is that we do not have the power to tell a news organisation what kind of programme to make and in what format. What we do have the power to do is to regulate a news organisation to a set of standards. If it is producing programmes that are not duly impartial—“duly” is an important part of the impartiality; it is about not equal weight but appropriate weight—we will investigate, and we have done so in the past.

I cannot remember, off the top of my head, but I do not think that we have any live investigations into Sky at the moment. However, there is a mechanism that allows people to make complaints, which we assess, and we investigate if we feel that there is a need to do so. It is the same for Sky as it is for the BBC and all other broadcasters.

Glenn Preston: Is it okay if I make an additional comment? I apologise if you felt that I was disdainful, too. That is never the intention. We treat scrutiny incredibly seriously.

I was particularly interested in your point about things continuing across an election period. Another critical point is that, as Cristina Nicolotti Squires said, we are a post-broadcast regulator—we do not regulate in advance. However, during an election period, in particular, there are specific rules that apply across broadcasters. We stand up something called the election committee, which has Scottish representation on it in the form of the Scotland member of our content board. That is currently Peter MacMahon, who will be well known to many of you. He is formerly of ITV Border and is able to provide insight and advice from that perspective when complaints are made to the election committee. The committee acts quickly. Some of the broadcasting stuff that we do may take a little bit longer, but, during an election period, the whole process is concertina-ed so that we are responding as quickly as we can. If you have specific concerns during such periods—or if any other member does—you can raise them directly with us and we have a process for dealing with them quickly.

Keith Brown: I have articulated that question twice. I have also written to Sky, but your response was that I might not get a response, which I did not in that case. I give you advance warning that that will continue through the next election period—just so that you are aware of the issue. The point that I am making is that it is not about balance or editorial choice, but about whether an audience is well served or whether big chunks of the UK are

excluded. It will always go the same way. They are talking about right-wing newspapers and the headlines in those papers. It is slanty from the very start.

Leaving that aside, let us go back to whether audiences are being well served. This time, my question relates to the BBC. I cannot say how many times a week this happens, but mostly, or certainly when I watch it, the programme that is due to finish at half past six—the main UK news—finishes well after the scheduled time. It ran three minutes over once. Another time, I recorded it and I think that it ran eight minutes over. The BBC said that programmes sometimes overrun. If there is something exceptional on, I can understand that, but that is not what I am talking about.

Again, it is routine contempt. Programmes are cut short because the one before them overruns. I assume that that must happen in Wales and Northern Ireland, and wherever else. It happens all the time, and the explanation is that that is just the way things have to be. Are all BBC audiences being well served, or do you think that there is an issue there?

Cristina Nicolotti Squires: You should put that question directly to the BBC when it comes before the committee. I was not aware of that. My background is in commercial television. I used to make the ITV evening news, and we did not have any leeway. We had to come off air exactly on time so that the regional news could take over. I am happy to pick that up and look at it. I do not want to speculate on whether it is or is not a breach—I would need to examine it.

Every year, we make sure that we report on what the BBC is actually delivering. It has obligations on minutes of regional news, and if that was being cut back it would be an issue. As I said, it is the first that I have heard of it, and I will pick it up.

Keith Brown: I have raised the matter with the BBC, which did not take it very seriously. It goes back to the point about whether the audience is being well served. I would say that it is not. Try it tonight. I am sure you will find that it is routine.

Cristina Nicolotti Squires: I am going to. I will have my stopwatch ready.

Keith Brown: Let me turn to another area with which you might be familiar: football and sport. On Sky Sports, there is very little coverage of Scottish sport. I can only imagine that it is worse for Wales and Northern Ireland. There is little coverage, with some important matches not reported on at all, and it can be hard to find the results. The highlighted matches tend to be three or four from the English Premier League. I recognise the dominance of the Premier League both in the UK and internationally—it is a huge thing. However, people in Scotland should have a right to hear about or see some representation of their team, even if they are unfortunate enough to be a Hibs fan, like me. Occasionally, there is a report from a Celtic v Rangers match; you will not see any action, but you get to see a reporter at the match. There is little coverage, which is not audiences being well served, is it?

Cristina Nicolotti Squires: Sky has no obligation to provide particular content to particular audiences, unlike the public service broadcasters, which have obligations. At the moment, Sky could decide not to do Sky News if it wanted; there is no regulation insisting that it must. It does not have to have a sports news channel, either. Ofcom's regulation does not extend to telling Sky that it needs to cover more Scottish football—we are not able to do that.

I could pass those questions on, but they are for Sky rather than Ofcom. There is no obligation on Sky to serve audiences as there is on the public service broadcasters.

Keith Brown: That is what I am relying on, and it is why the question is being put to you. If Sky has no obligations, whether in relation to news or sport, to serve different audiences in the UK, and if you are saying that your key role is to make sure that audiences are well served but you are opting out and saying that there is nothing you can do or that you are not concerned about it, there is surely no way of guaranteeing that audiences are well served.

Cristina Nicolotti Squires: Our role is to ensure that audiences are being served by the public service broadcasters who are designated as such. Sky is not one of those; it creates a lot of public service content that is of good quality, but the decision to do so is made by Sky—it is not enforced by regulation.

Keith Brown: My final question is similar—you can see that there is a theme here. To return to a point that Victor Currie made, the level of licence fee income from Scotland that the BBC spends in Scotland is around 88 per cent. The equivalent figure is 99 per cent in Wales and more than 100 per cent in Northern Ireland. People in Scotland are surely not being well served by such a discrepancy. I do not know what it amounts to, but it is perhaps £30 million or £40 million that goes elsewhere instead of coming back to Scotland.

Cristina Nicolotti Squires: Questions on monetary spend are for the BBC to answer directly. I would not necessarily judge by pound of expenditure how the audience is being served; it is about the output that is delivered to them. The question why there is a disparity between those nations is one for the committee to ask the BBC.

The people who are responsible for editorial direction, expenditure and decisions about programme formats are the BBC board, who have to hold the BBC to account for that. Our role is to ensure that the BBC is serving its public purposes and delivering its mission. We do not necessarily measure that literally through the amount of money that is being spent; it is about the output. As I said, our report on the success or failure of the BBC to deliver on the mission and purposes is coming out next week.

Glenn Preston: The figure fluctuates, but I think that Keith Brown is correct in saying that, at the moment, the amount of licence fee that is spent in Scotland from what is gathered here is lower than in those other nations. It is important to be clear about the reason for that. In Wales, the reason has consistently been that network content has been produced there—in particular, the two UK network shows "Doctor Who" and "Holby City". That is one of the reasons why Wales has ended up overindexing on the licence fee. I think that the position in Northern Ireland has been similar. However, it is a fair question to put to the BBC.

Keith Brown: That level of underfunding, if you can call it that, is probably equivalent to the cuts that BBC Scotland is currently making, so it is not a matter of no importance.

That was my final question, and I will put it to the BBC. In fact, we will have a debate on the BBC in the Parliament this afternoon, and I am sure that some of these issues will be mentioned.

The Convener: I want to pick up on one of the answers that were given to a question from Keith Brown. Cristina Nicolotti Squires, you talked about the application of due impartiality and the fact that that goes beyond the broadcasters that are designated as public service broadcasters. In broad terms, would you say that GB News is an impartial broadcaster?

Cristina Nicolotti Squires: There have been cases in which we have found that it has broken the rules, and we have published our decisions on those. We have enforced a sanction on GB News for breaking those rules, which is currently the subject of a judicial review—last week, it was being judicially reviewed in the Royal Courts of Justice. We enforce the rules against GB News as we do everyone else.

The Convener: In broad terms, do you think that it is an impartial broadcaster?

Cristina Nicolotti Squires: We assess only programme by programme; we do not do the whole output of a channel. As I said, it has broken the rules in the past, and we have some investigations open at the moment, which I cannot comment on. We do regulate the channel and hold it to account.

The Convener: As I understand it, your definition of "due impartiality" is not purely about individual instances but about the course of conduct over time.

Cristina Nicolotti Squires: No. We assess each programme for its due impartiality. We do not assess the whole output. We do not take a week's worth of content; we take an individual programme. That is rooted in the Communications Act 2003.

The Convener: Is there not a case for that legislation changing, given that most people would look at GB News and see that it is clearly a very right-wing platform?

Cristina Nicolotti Squires: Any decision about what powers Ofcom has is down to Governments. It is not necessarily down to me to opine on that; it is down to Governments to change that rule if they want to. At the moment, we assess on a programme-by-programme basis. We are a post-broadcast regulator, as Glenn Preston said. They are quite long programmes generally speaking—they are usually about three hours—so we assess them as a programme rather than overall.

We have had discussions about whether you could monitor the overall output. As a former news producer, I know that it would be hard to make decisions about the segment of programming that you are editorially responsible for not knowing what another person was going to be doing later in the day. Achieving due impartiality across the whole rolling-news organisation would be quite hard.

At the end of the day, it is down to Governments, not us, to decide what powers we have and how we regulate.

The Convener: I do not doubt that achieving perfect impartiality would be very difficult, but recognising its complete absence would take about five minutes, I suggest.

David Green: I will pick up Jenny Young's questions on production. When it comes to the BBC, one regular example is, of course, "The Traitors". "The Traitors" is based in the Highlands—in Ardross in my constituency. I am trying to wedge in my constituency again, which is very unlike me. Less than 50 per cent of the production staff are based in Scotland. What is the point of those benchmarks if we are not meeting them?

Glenn Preston: We have been over this quite a lot with the predecessor committee and other committees. Our view is that we want those types of shows to be made in Scotland. It is a positive

that they are made in Scotland. The BBC has produced an interesting report on the economic benefits, which, for your constituency, are not inconsiderable. We would view that as a positive as well.

The production company behind "The Traitors" has made commitments to continue to try to grow the number of people working on the production who are from Scotland or are based in Scotland. As we understand it, that has continued to happen, but you are right that the growth has been by small increments. For production in season 1 or season 2, I think it was, the company misreported and said that it had met a couple of the criteria in our regional production guidance, when in fact it had met only one—the substantive base criteria—and not the others. The production company has been working hard since then to make sure that it is meeting at least two, if not all three. The trajectory is okay, but we hope that the production company will continue to try to use local talent to make what is an incredibly successful show.

David Green: I think that the predecessor committee called for a review of your regional production quota framework. Was that review ever undertaken? Was there any follow-up to that ask?

Glenn Preston: I think that we said at the time that we were implementing changes to quotas arising from the Media Act 2024, which involved moving from proportions to absolute spend, which is relatively new. When we gave evidence in January, we said that we wanted to allow that to settle down, and that continues to be the case.

We are watching with interest what comes out of the UK Government's white paper, because there may be further proposals for legislative change. We will need to see what the new charter will look like and, therefore, how any revised operating licence that Ofcom produces would impact things such as quotas for the BBC.

11:30

In my answer to Ms Young, I mentioned the Screen Scotland-sponsored research that has just come out, which makes a useful contribution to the conversation. We have not sat down with Screen Scotland to talk about it yet, but I think that we will. It is an interesting proposition to move from specific production activity to wider outputs in growth-focused things, and there is a legitimate conversation to be had about that.

I do not think that we are at the stage of reviewing the guidance just yet. We need to work out how the new methods will work following the Media Act 2024, see whether there are proposals for change in the white paper and understand what the charter says about the BBC specifically.

Cristina Nicolotti Squires: Having a healthy skills base in Scotland is important and there is a real need for that. Even the Westminster Government—I should not say "even"; I take that back. The Westminster Government has been talking a lot about ensuring that there is creativity outside London and England, so I think that it is important that those skills continue to grow. About five years ago, a reality show had never been filmed in Scotland, but now that that has been done, it is important that people benefit from it, not just in the local economy but in the skills sector.

David Green: When you come to a conclusion or have some reflections about the UK Government's work and the steps that you will take as a result, I hope that you will write to the committee, because we are interested in that. It is fair to say that there is a broad debate about "The Traitors". I recognise its wider economic contribution but, for absolute clarity, we have the 50 per cent benchmark, which you would expect to be met.

Glenn Preston: The BBC has the relationship with the production company and it has the obligation to ensure that the criteria in the regional production guidance are being met. It is possible for the company to meet one of the criteria—the substantive base. The BBC has committed to meeting at least two, if not all, of the criteria for its productions. I think that "The Traitors" is on the way to that; I do not know whether it is definitively there yet. You could put that to the BBC, which has made the commitment. Certainly, that is the ambition.

David Green: That is where we want to get to.

With the time that I have left, I will talk about STV, which we briefly discussed with the previous panel. With regard to your decision about STV, you highlighted that

"Underpinning these changes will be increased transparency from STV on how it will continue to serve audiences across Scotland with locally relevant news provision".

Your opening remarks touched on that as well. What do you mean by transparency? What will we see that is different?

Cristina Nicolotti Squires: That is part of the conversations that we are having with STV. I will be seeing the company in a couple of days to discuss how it is going to demonstrate those things. We have not settled on it yet, because we are just starting the conversation. Each year, it is obliged to produce a statement of programme policy in which it will need to spell out that information. It will need to give us evidence that, over the course of the period, each programme has delivered the 30 per cent of bespoke content that the company said that it would.

David Green: Thirty per cent is not where we used to be. I suggest that that is a retrograde step. Universally across parties, the Parliament has accepted that. You had to make a decision and I appreciate that you set out in your opening remarks that it is not what you want to do, but you are trying to look at the sustainability. Nonetheless, a decision was made. I do not have clarity about how we are going to hold STV to account on that. You will meet STV in the next couple of weeks, but a decision was made before we had any clarity about what the accountability measures would be. Have I understood that correctly?

Glenn Preston: No, that is not quite correct. When we published our statement at the start of June, we specifically said that we would require STV to use its statement of programming policy, which is a published document that it is legally obligated to give us. That is a new regime that has been created by the Media Act 2024. Everybody is producing those statements for the first time this year. We are expecting STV's statement imminently, if we do not already have it for this year. I suspect that next year's will be better, given the type of transparency that you are describing. We have told STV that that is the mechanism through which we would expect it to be clear about whether it has achieved what we have agreed to in the licence changes. You touched on that with the first panel. To be fair to STV, it has done that in the past, even when it has not had an obligation to do so, and I suspect that it will continue to do that in future.

We will look at output. Over the past few weeks, I have been watching the different versions of STV news, which is doing a good job of representing each licence area. The obligation on STV is to continue to produce distinct content that is specific to the central licence area and to the north licence area, and it is doing that. I watched last night's 6 o'clock news, and the central version covered two or three stories from the north, so there was clearly overindexing in that regard. We will ask STV to demonstrate, through analysis of its output, that it has delivered at least the 30 per cent regional content requirement, which is a floor, not a ceiling.

Our written decision also included the obligation to have people based in the north region. That was critical. To be fair to STV, even though its first proposition was to have 100 per cent sharing, it has always said that it wants to maintain people in those places, and it has done so. For example, STV has journalists in Inverness, Aberdeen and Dundee, and we expect it to report on the continuation of that.

David Green: That is helpful. We could talk a lot about the 30 per cent requirement, but I want to ask a follow-up question on the quality of the local journalism, which you touched on. I commend the NUJ for its work in highlighting that the areas that will lose out as a result of the significant changes will be those on the periphery—those in the north and the south, for example—rather than the central belt. If there is any loss of journalism or reduction in the pipeline of staff coming through, ensuring that communities in those areas are reported on in real time will be a significant challenge. I want to ensure that we are alive to that point, because I have concerns.

I am conscious of the amount of time that I have to ask questions, but, in relation to the changes at the BBC, which other committee members have raised, what lessons have been learned? Concerns have been raised about opt-outs regarding STV, and I fear that we will have a similar conversation regarding the BBC. I want to ensure that the diversity of our communities across the country is adequately reflected and that journalism in those areas is protected. What lessons have been learned?

Glenn Preston: I will start with STV. The position with STV is slightly different from the position with the BBC. There is quite a lot that we do not know about what will happen at the BBC, whereas that is not the case with STV, because we have been through a process with it over the past year.

It is worth emphasising that, when STV came to us last autumn, it proposed 100 per cent sharing. In the earlier evidence session, one of the witnesses said that they thought that we would have agreed to that if there had not been political pressure, but that is not right. The two licences—one for north and one for central—include a requirement for regionalism and distinctiveness. I completely acknowledge that there was political and public pressure, but, when STV made that proposition, we were clear from the beginning that we would not be able to agree to it, because it would be inconsistent with the terms of the licence. We asked STV to think again and to demonstrate how it would be able to show an adequate amount of news. It then came up with another proposition, on which we consulted. From the beginning, we took that process very seriously to ensure that there would be proper regional news coverage.

The BBC situation is different, as I have said. We know that the proposal is to close the linear BBC Scotland channel and that most of the non-news content is supposed to be going on to the iPlayer or online, so a good representation and portrayal of communities across Scotland should continue through some good content, as some of the previous witnesses mentioned.

The significant change is the proposal to close the "News at Seven". As we said, there had already been a reduction from 250 hours to 125

hours just a couple of years ago. The critical thing for us—we need to get under the skin of this, which is why we have written to the BBC and shared our correspondence with the cabinet secretary, with Cristina Nicolotti Squires meeting representatives of BBC Scotland this week—is how the BBC will continue to serve the audiences that it said it was essential to serve through the revised 7 o'clock show, particularly C2DE people, who do not typically consume the rest of the BBC's news.

There was some mention of mitigation in the statements that went out around things such as "Scotcast" and some of the other content that has been developed since the BBC Scotland channel was created, and there was a reduction in hours a couple of years ago, but we need to really understand more about whether what the BBC is saying is the answer to serving audiences, or whether there is a different way of serving audiences in the way that the BBC had said the "News at Seven" did.

Cristina Nicolotti Squires: It is not necessarily a lesson, but I hope that it shows the committee that we do not necessarily just take whatever any public service broadcaster comes up with—we do not just go, "Okay, yeah, do what you want to." Because it is our job to do so, we push back on things and ask what the broadcaster is doing with a particular audience, where that audience is going to be served, and what the broadcaster is creating, continuing to do or doing differently. That is a really important question that needs to be answered.

We put in place operating licence conditions for the BBC Scotland channel for what was originally an hour-long news programme, which we then amended to half an hour. When the BBC closes the channel, those obligations fall away, but we might put different obligations in place. I am not ruling anything out. We may insist that a half-hour programme goes out on linear somewhere, but do not hold me to that, because that is just one of many options. Before we insist on anything, we first need to hear from the BBC about its plans.

David Green: I respect that and I will finish with this point. I appreciate that we are talking about different timelines, and that is why I am trying to look ahead to some of the changes from the BBC. A lot of the conversation has been about the BBC Scotland channel, but, as I said in the earlier session, we have very diverse audiences and communities across Scotland, and I would describe what I have often seen on the BBC Scotland channel as content that is fairly Glasgow or west of Scotland based, and does not reflect my—or certainly my constituents'—experience of Scotland. I am concerned about, for example, the opt-outs with regard to radio stations across the country, BBC Highland being one of them, and protection within that space, because what sits behind that is the journalists who provide the news gathering, which can also flag up important stories for our national audience. That is important and I am keen to ensure that we protect it in the transition to the digital space.

Cristina Nicolotti Squires: I agree. Having been a journalist for so long, I am slightly biased but, to tell you the truth, I think that journalism is as important a public commodity as electricity or broadband. At a time when audience habits are changing, and there is so much going on in the world, journalism has never been so necessary.

David Green: Even though we get the tough questions, I could not agree more.

Glenn Preston: I am conscious of time, Mr Green, but you touched on radio and, in the earlier session, there was a positive story about radio, particularly community radio. In its operating licence, the BBC obviously has specific obligations in relation to Radio Scotland and Radio nan Gàidheal, for example, and I have not seen any proposals for further changes in that area. I know that not everybody is happy with editorial choices that have been made with regard to Radio Scotland programming, but those choices are for the BBC rather than for Ofcom. I have not seen any suggestions for further licence changes.

What we do have in Scotland is quite a healthy commercial radio situation. In the earlier session, Paul McManus mentioned the really positive community radio set-up in Scotland, which is good at serving communities right across Scotland, including in our remote and rural areas. We deliver the community radio fund, which is UK Government money. In the past four or five years, in excess of £160,000 to £170,000 has gone to Scottish community radio stations to allow them to continue to grow and serve their communities. Actually, Cristina Nicolotti Squires is going to one tomorrow or later on that week, although it is a Glasgow one, so apologies for that.

David Green: I am not that anti-Glasgow—I promise.

Cristina Nicolotti Squires: I will go out to the islands in the summer.

Glenn Preston: In other bits of Scotland, including in our most rural and remote places, there are very good examples of community radio stations functioning and serving a really good community purpose.

David Green: Excellent—thank you.

Colin Beattie: When I was speaking to the previous panel, you may have heard that I raised the question of the changes to audience habits. Importantly, I was trying to get a grip on how much

of the cost saving that the public service broadcasters, particularly the BBC, were trying to achieve was related to those market issues as opposed to political decisions on cutting the budgets. Obviously, there is a cost involved in change, and it needs capital—money is needed to make change happen. My perception is that, again, the BBC in particular was more reactive in its responses in that it was catching up with the market rather than being out there with the leaders. What is your response to that?

11:45

Cristina Nicolotti Squires: Again, you will probably get more current answers about what is going on at the BBC when it is at the committee in a couple of weeks. That question is one of the reasons why I have asked for a much clearer picture of the cuts, because I do not know where the money is going to. I think that Matt Brittin has said very clearly that he wants to invest much more money in the iPlayer and to give it more functionality. You are absolutely right that that costs money, but where he is saving that money, I do not know. It is really important that the BBC innovates and creates content where audiences are.

In the past, I think we have seen a bit of reticence to put things outside its own platforms. The previous director general was very keen on everything being on iPlayer and only ever using social media to drive people back to its own platforms. We are now seeing a bit of a change of tack, and, to be fair, that started before he left. The BBC has entered a partnership with YouTube and BBC news has its own YouTube channel. Whether the BBC has been as fast as it could have been is a question for it to answer, but it is important that we recognise the innovation that it has done and that we allow it to innovate and, sometimes, to fail. Sometimes, it will try things that do not work. To echo what was said in the earlier evidence session, the BBC is a bit of a lightning rod for criticism. It gets criticised for an awful lot. If the BBC tries something and it does not work, we, as a society, need to let it do that, to an extent. It is important that our regulation is flexible enough to allow it to continue to innovate and to lead from the front.

Colin Beattie: With the likes of the BBC, to what extent do you monitor what I guess you call competitiveness in the market?

Cristina Nicolotti Squires: Ofcom has a role to ensure that the BBC, because of its huge size, is not crowding out competition in commercial spaces. For example, when the BBC wanted to provide new radio services, we allowed some to go ahead, but some we did not, because we felt that they were too replicative of commercial environments. Therefore, we have a role in that respect, but we do not necessarily have a role with regard to competitiveness in innovation and technology. However, again, our job is to ensure that the BBC is delivering for audiences under its public purposes, including to educate, and we report on its performance each year. As I said, our annual report on the performance of the BBC comes out next week.

Colin Beattie: It seems that an important part of the health of the BBC is the fact that it is innovative and up there with market leaders. At the moment, it clearly is not, and it is playing catch-up. I am trying to establish the extent to which you feel that you have any responsibility to monitor its performance against the market.

Cristina Nicolotti Squires: That depends who you call the competitors. The competitors used to be ITV and Channel 4. If you are now widening the idea of who the competitors are and saying that the BBC is not keeping up with Netflix in its technology, I will say that Netflix has many, many millions of pounds more budget than the BBC. It is important to recognise that, if we want the BBC to be world leading in its technology or to compete with those very big platforms that have huge budgets, money will have to come from somewhere. For it to do that, it must have very strong and sustainable funding. As I think that you are implying, the competition has changed significantly over the past few years, has it not?

Colin Beattie: On that, do you consider that the BBC is capable of plugging the gap, so to speak, using AI, as a cost-effective way of catching up with competitors?

Cristina Nicolotti Squires: May I ask who you are talking about when you talk about the competitors?

Colin Beattie: I am talking about the BBC using AI as a bridge to catch up with its competitors.

Cristina Nicolotti Squires: I am sorry, but who do you regard as the BBC's competitors?

Colin Beattie: I guess that I am referring to major providers such as Netflix. I do not have a specific one-to-one competitor in mind; I am thinking of streaming companies—not just providers of videos, but providers of radio and whatnot.

Cristina Nicolotti Squires: As I said earlier, it is important to recognise that the big tech platforms and streaming companies that you are talking about have much deeper pockets than the BBC has from the funding that people in this country provide.

It is important that the BBC keeps up with innovation. It has said that it is happy to use AI in

an ethical way to help to create more content. You would need to ask it about this, but I think that it has been running some pilot programmes on that. Last year, it told us that it had some pilot programmes involving the use of AI translation tools that would enable their news articles to be written in many languages, which would greatly increase their reach and accessibility. I also know that the BBC has directors of AI in its newsroom.

Therefore, the BBC is using AI. As long as it is used responsibly to improve efficiency or to create more content, I think that that is fine.

Glenn Preston: I do not know whether the committee will take evidence from the UK Government as part of its inquiry, but, to an extent, the green paper that the UK Government has produced, which we are expecting to be followed by a white paper, covers the issue of competition that Mr Beattie asked about.

For example, it considers the question of giving public service broadcasters' content prominence on the platforms. Unsurprisingly, the response of the platforms is to say that that should not happen, because it undermines their business model. However, if public service broadcasters enjoyed a prominent place on a tech platform, that would enable them to go where the audiences are going, while still performing their public service broadcasting duties. The performance of those duties is the critical difference between public service broadcasters such as the BBC and the tech platforms.

The Convener: Victor Currie wishes to ask a supplementary. As there is still one member who has not asked a question, I ask you to keep it fairly brief, please.

Victor Currie: This is a follow-up to one of Colin Beattie's questions. What oversight does Ofcom have of what constitutes ethical use of AI by the BBC?

Cristina Nicolotti Squires: I do not yet know the answer to that question. We are beginning to have discussions about the use of AI in the wider stakeholder environment. We have rules in place about misleading audiences, so if the BBC were to use AI in a way that misled audiences, we would be able to investigate that. We have powers over that.

The term "ethical use of AI" is very broad, is it not? Some people think that it is unethical to use AI because of the energy that it uses. The term is subject to wide interpretation. From an Ofcom perspective, the most important thing for me is ensuring that audiences are not misled by the use of AI.

Victor Currie: In the future, could Ofcom have a role to play in codifying what would constitute ethical use of a medium that will become a lot more prominent in broadcasting?

Cristina Nicolotti Squires: Yes. As I said, we are starting to have conversations on the subject, and we have been doing some work on it with broadcasters and stakeholders, so I think that that will come up in the near future.

Earlier, it was mentioned how quickly things have moved in this space. Although we have been talking about artificial intelligence for a very long time, the sudden growth in the day-to-day use of it has taken us all by surprise. Even at my first appearance before the predecessor committee 18 months ago, it was not mentioned by anybody.

Pauline Stafford: Most of my questions will centre on decisions that the BBC has taken in recent months. Ofcom approved the starting of the linear version of the BBC Scotland service in 2019, but we heard from our previous witnesses that the conditions were never right for it to flourish. What assessment has Ofcom made of whether the right conditions were in place to allow the channel to flourish? Has anything else had an impact? What are your conclusions on where we are now with that?

Glenn Preston: I will make a couple of observations. The process for the creation of the channel required the BBC to conduct its own public interest test. In line with Mr Beattie's question, we specifically looked at questions of competition. At the time, we did not consider the extent to which the BBC would or would not crowd out the market in Scotland to be a significant risk. We then created a series of conditions that would apply to the new BBC Scotland linear service, both across its regional programming and in the news obligations that we have already talked about in quite a lot of detail.

Since its creation, we have produced an annual report on the BBC that includes an exploration of whether it has delivered against its specific operating licence conditions that would apply to the BBC Scotland linear service. We have never found the service to be in breach of those conditions. In fact, in some instances, it is overindexing on the obligations that have been put in place. Since launching in 2019, it has largely delivered what we expected.

Have I covered everything, Cristina?

Cristina Nicolotti Squires: Yes. We have held the BBC to account to the conditions of the operating licence for BBC Scotland, and it has not fallen foul of any of those.

Pauline Stafford: Is it a surprise that we are where we are now?

Cristina Nicolotti Squires: We need to assess how audiences are changing. At the end of the day, all linear channels are experiencing a fall in audience numbers. If you have a smaller audience in the first place, the fall will be proportionally bigger. I am not surprised that audiences have been falling away from the BBC Scotland channel. I do not necessarily think that that is to do with its quality. It is to do with how audiences are consuming content. Who has watched a live programme in the past week? It is very rare for people to do that now. Audience behaviour is a big part of it.

Glenn Preston: We have carried out assessments of what we might expect the audience to look like, and that has broadly tracked. As Cristina Nicolotti Squires said, we are seeing a much wider phenomenon. It is not just affecting the BBC; it is affecting all other public service broadcasters. People are finding content in other places.

Pauline Stafford: My second question relates to Mr Green's question about what lessons were learned through the STV process, because we are now scrutinising that issue.

We received your response to the Cabinet Secretary for Education, Culture and Gaelic's correspondence, in which you said that Ofcom cannot

"stop the closure of a linear service such as BBC Scotland."

Given that limitation, and what you already know, is your sense that there will need to be a change to the operating licence? I appreciate that you are waiting on more information, and that such a change would require consultation.

Glenn Preston: I do not think that we can go as far as saying that there will be a change. As Cristina Nicolotti Squires mentioned, that is one possible outcome. We do not yet have enough information to help us to reach a view on whether another operating licence condition would be required.

We know that the BBC is proposing to close the linear channel and that most of the content that is not used will be available elsewhere. We also know that it is not proposing to continue with the 7 o'clock news for half an hour, five days a week. The question for us is, in the BBC's provision of content across all its other services, and given that it has talked about BBC One Scotland and BBC Two as potential options, which was the model before the BBC Scotland channel, what is it proposing to do there? Would that adequately deliver the things that were otherwise in the operating licence condition? We do not know the answer to that yet.

A possible outcome is certainly that an operating licence change would be required, but we need more information from the BBC before we know that.

Cristina Nicolotti Squires: I will add a broader point, which I do not think has been mentioned yet today. The BBC and the Westminster Government are in the process of negotiating a new charter. There are discussions with the BBC about greater transparency, how to shore up trust and so on, but that process can place more obligations on to delivery for the nations.

Pauline Stafford: If it moved in that direction and you had to carry out a consultation, were any lessons learned from the STV consultation process? One of the major changes is moving the entire channel online. In Scotland, we have specific geographical, digital connectivity and demographic challenges. How are Scotland's specific digital challenges weighted in your assessment? In the green paper, the DTT switch-off looks like it will be in 2034, but with a possible extension to 2044, so this is very rapid for our audiences to shift.

12:00

Glenn Preston: We have a good in-house research function in Ofcom that supports all our regulatory policy making, including on the broadcasting and wider public service media piece. We do a lot of audience research each year, and that includes talking to people in Scotland through face-to-face interviews and online omnibus surveys. We weight them, for example where we think that there is overindexing on rurality or a particular age. On the BBC in particular, as things begin to develop with the charter, as Cristina Nicolotti Squires says, and as we get more information, if we feel that there are gaps that we need to fill through audience research, we will use those tools to talk to people in those areas.

Pauline Stafford: Thinking a bit more widely about the tools that are available to you, we had evidence from Bectu that suggested that we should lobby Ofcom to stringently apply all three of its key regional production criteria, which we touched on earlier. Is it practical that you could enforce all three of those to improve the situation?

Cristina Nicolotti Squires: Are you talking about production?

Pauline Stafford: Yes.

Cristina Nicolotti Squires: The BBC announced, I think last year, that it was going to adhere to all three of the requirements, where possible. We are still seeing how the new system

beds in, which we said in our previous answer, but we will bear in mind that it is a consideration.

Glenn Preston: The other point, which is possibly repeating what I said earlier, is that one of the models that have been proposed through the research that was sponsored by Screen Scotland is different. Substantive base, production spend and talent spend are the three things that it covers. To be honest with you, even some indie producers, for example, make the argument that they would like some flexibility maybe to apply just two of those things sometimes. Depending on the circumstances or the way in which they are gaining investment for a particular production, it might help them to have some flexibility.

The broadcasters have in general also argued for flexibility, although, as Cristina Nicolotti Squires says, the BBC has been determined in its commissioning of independent producers to try to get them to meet all three if possible, but with some flex when an independent show or production might require it.

If we are moving to a conversation that is more about outputs or growth-related things, that is quite different. The way to measure those things might be different. You may not have those three production activities, but you might have something else as an alternative. That is the sort of thing that we would need to talk to Screen Scotland about to understand exactly what the alternatives would be.

In the meantime, we still have the process of bedding down the provisions of the Media Act 2024, which changed from proportions to absolutes. There could be other things coming down the track with new UK legislation or through charter reform, as it relates to the BBC, that would have a bearing on the answer to that question.

Cristina Nicolotti Squires: We have to balance, though, the sustainability of a sector that faces very difficult economic circumstances with making sure that the ideals that we would like are adhered to. Trying to be flexible while ensuring the right outcomes is very tough in the tough financial environment that we are in. Everything is a trade-off and a choice. Do we want a smaller independent sector that adheres to all three of those things, or do we want a broader one that might adhere to one or two? That is a trade-off, isn't it? Moving to a more outcomes-based regulatory system is probably the way forward, especially considering how quickly things change.

Pauline Stafford: I appreciate that. You are trying to strike a balance between flexibility and the need for sustainable public service broadcasters in future. Where is the line between citizen and consumer in that?

Cristina Nicolotti Squires: Yes, especially when the competition, as someone on the previous panel was saying, is now big global platforms rather than television companies.

Pauline Stafford: Mr McGowan-Lowe, from the previous panel, said that this is a funding crisis. At what point could the decisions lead to it becoming an audience crisis and become self-perpetuating? Is there a worry that, if we do not get that balance right, it will be a funding crisis?

Cristina Nicolotti Squires: I will go back to the paper that we published 18 months ago, in which we talked about this being a critical time. We said in the paper that we all need to work together—whether that is the Government, platforms, television companies or civil society—because, as I said earlier, the public service broadcasting industry in Scotland and across the United Kingdom underpins a healthy creative economy and all the great programmes that get made here. If it were not for the likes of BBC Scotland or STV, Netflix would not have come here and made programmes such as "Dept Q". Governments, platforms, companies and the regulator need to play their parts to try to keep the industry going.

Pauline Stafford: I have a final question, which will give you a chance to respond to the statement that was made in the first panel that Ofcom is not fit to defend our public service broadcasting industry in Scotland at a time when it needs to be defended. I do not know whether you want to make any comments about the powers that you have at the moment within the regulatory framework and what your limitations are.

Cristina Nicolotti Squires: Well, we have a very strong team here—there are now about 100 people based in our Edinburgh office. We engage with stakeholders right across Scotland and in all parts of it. We are a converged regulator, which means that other parts of the Ofcom forest regulate online and telecoms, which really helps us.

We have made some difficult and unpopular decisions. You do not work at a regulator to be popular among people; you do it to ensure that audiences are served now and in the future. The STV decision was a difficult one. I strongly want STV to thrive, not just survive—I said that earlier—and I thought that the decision that we made was a good compromise in order for it to be able to exist in the future. I cannot comment on this, but you will have noticed that, in her referral of the ITV-Sky takeover, the Secretary of State for Digital, Culture, Media and Sport said that she had concerns about STV's sustainability and that she wanted us to have regard to that.

I hope that, by making some difficult decisions, being accountable to you and having close

engagement with stakeholders, we have proved that we are here to protect consumers and citizens in Scotland as well as everywhere else.

The Convener: Thank you very much. The committee will continue with this piece of work in the weeks ahead, and we will also return to the issues that you have raised, including Screen Scotland and the charter renewal process. I have no doubt that we will hear from you again.

Cristina Nicolotti Squires: I will quickly plug a publication, as one does at these things. I have already mentioned our upcoming report on the BBC. Alongside that, we have done some interesting work—I would say that—on the levers that affect trust in the BBC. Trust is an important commodity for the BBC, and it is important for it to continue to have the trust of audiences as well as politicians. In that report, we will look at the importance not just of talking about impartiality but of showing it. Please look out for it, because there might be some interesting points in there that you will want to pick up with the BBC when you meet it in a couple of weeks.

The Convener: I am sure that we will. Thank you for spending time with the committee today.

Before we move into private session, I note that I should have said at the start of the meeting that I am an associate member of the National Union of Journalists. That is recorded in the voluntary section of my entry in the register of members' interests, so there is not a mandatory requirement to declare it, but it would have been good practice to put that on the record at the start of the meeting—I apologise to the committee for not doing so.

12:08

Meeting continued in private until 12:19.

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