



Constitution, Europe, External Affairs and Culture Committee

Thursday 15 January 2026

Session 6



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Pàrlamaid na h-Alba

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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE 2nd Meeting 2026, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Jamie Halcro Johnston (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Neil Bibby (West Scotland) (Lab)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Patrick Harvie (Glasgow) (Green)

*Stephen Kerr (Central Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Paul McManus (Bectu)

Cristina Nicolotti Squires (Ofcom)

Emily Oyama (Producers Alliance for Cinema and Television)

Glenn Preston (Ofcom)

David Smith (Screen Scotland)

Stefan Webster (Ofcom)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 15 January 2026

[The Convener opened the meeting at 08:31]

Scottish Broadcasting

The Convener (Clare Adamson): Good morning, and a warm welcome to the second meeting in 2026 of the Constitution, Europe, External Affairs and Culture Committee. Our first agenda item is to continue taking evidence on Scottish broadcasting. For our first panel, we are joined by David Smith, who is the director of screen at Screen Scotland; Paul McManus, who is the Scotland negotiations officer for Bectu; and Emily Oyama, who is the director of policy at the Producers Alliance for Cinema and Television. A warm welcome to you all.

I will open with a broad question. How do you feel about the state of broadcasting in Scotland at the moment?

David Smith (Screen Scotland): Thank you for inviting us to this meeting and for having the inquiry into this subject. I know that we are late in the parliamentary session, but it is an important subject and one that I hope will be carried forward into the next parliamentary session as well.

We cannot divide broadcasting and production—they are two sides of the same coin. When we as an agency think about the health of the sector, we are probably more focused on the production side than the broadcasting side, but they cannot be separated. Demand from the broadcasters drives the health of the production sector.

I used to have a speech in which I talked about how film and television are not the same thing and explained how they differ. However, television is also not the same thing any more—there are lots of different sides to it.

The simple answer to the question is that the health of broadcasting in Scotland is variable. Some aspects are doing well. High-end television drama production, driven by the public service broadcasters and inward investment, is very healthy; it is probably the healthiest that it has been in Scotland for 20 years. However, in the unscripted and documentary side, demand has more or less collapsed across many genres. That has meant that lots of companies and freelance workers are struggling.

As a general trend, the economic impact of the sector has continued to grow. That is driven in large part by high-end TV drama and film production—more by high-end TV drama, to be honest. We are confident that the broadcasting sector will continue to grow across the next decade. There is every evidence that people will continue to watch fantastic shows such as “The Traitors” and “Dept Q” in large numbers.

However, the picture will be variable. The move away from linear delivery on broadcast TV to non-linear delivery on platforms means that audience patterns have changed. I spent most of my career in television working in specialist factual arts, science and history production, but those genres are now driven by podcasts and YouTube. There has been a complete change of direction driven by audience practice and the move away from a linear schedule.

The Convener: I would like to dig down on that point. You talked about documentaries, but there has been a huge uptake in true crime broadcasting and podcasting. Where is the line between documentaries and entertainment drama?

David Smith: That is a difficult question, with a moving set of goalposts. I was joking with somebody yesterday that, if you want to make factual TV now, you have to focus on either air fryers or murder—in other words, you can do consumer products or serious crime.

I am not sure that that is entirely true, but the line between factual entertainment and documentaries is blurred. I would say that documentary is a specific genre. I cut my teeth on it over a number of years. It has not necessarily migrated to YouTube alone. Theatrical documentaries are enjoying a positive period in Scotland and we, as an agency, have five funded films in the Sundance film festival later this month, three of which are documentaries from Scotland.

Paul McManus (Bectu): Thank you for inviting me along today. I would echo a lot of what David Smith is saying about film and TV production.

On broadcasting, the industry in Scotland is facing a number of significant challenges, not least of which is the already-discussed downgrading of STV’s news output.

The BBC faces significant challenges over its charter renewal. It has had many years of cuts and poor licence fee settlements, and on-going, year-on-year redundancies. It is extremely important that this Government and other bodies stand up to support the BBC to defend its impartiality in the wake of all the disinformation that is flying about. It is crucial for the culture and democracy of Scotland that we have a strong, independent, impartial BBC that is free from political interference

and that the services that it provides are universal to all. Without that—if people do not have universal access to high-quality broadcasting—we start to undermine the culture and the democracy of the country.

Outwith what David Smith has said, the one area in film and TV production that is a challenge for us is the Government's fair work policies. The industry in Scotland is miles behind other sectors on fair work. As we see more and more companies investigating, researching and moving towards a four-day week, our members would love to get away from a six or seven-day week, never mind move to a four-day week. A huge amount of work must be done in that regard.

I am not saying that it is any worse than other parts of the industry elsewhere in the United Kingdom, but it is certainly worse than other sectors in Scotland, and the Scottish Government must ensure that fair work is manifested robustly across the film and TV industries.

Emily Oyama (Producers Alliance for Cinema and Television): Thank you for inviting me to give evidence today. I concur with what Paul McManus and David Smith have laid out. I will go a bit further and state that there are significant challenges in the broadcasting sector. Of the 800 members that we represent, 55 are in the Glasgow area and, as you are well aware, they make up a screen cluster in Scotland. The majority of those members work in the unscripted genre and are having a torrid time at the moment. Public service broadcasting is the linchpin of the commissioning opportunities that they have enjoyed over many decades. If we want to sustain the incredible inward investment that we are getting, we must ensure that domestic production is sustained, because that is what positions Scotland as an attractive production hub. We are significantly worried about what the future holds.

The Convener: The BBC charter and the framework renewal process have been mentioned. What should be the priorities for Scotland in that?

Emily Oyama: We are a big supporter of the BBC licence fee. It very much underpins the funding within a lot of the nations and regions, so protecting it is crucial.

The Convener: Mr McManus, are there any other priorities for charter renewal?

Paul McManus: We need a realistic licence fee settlement that allows the BBC to expand its programme making, because BBC Scotland has lost a lot of capacity for programme making over the past 10 to 15 years. Much of the product that is attributed to BBC Scotland is commissioned through BBC Studios, which is a UK-wide subsidiary. Production companies, as Emily

Oyama has mentioned, struggle with commissioning tariffs. We come up against that issue time and again. Even if the BBC commissions programmes, people struggle with the commissioning tariffs that are offered, which results in some of the pressures of longer hours, lower rates of pay and unrealistic demands on the crews, the producers and the production companies.

However, there are positive signs, as I said in our submission. The way in which the BBC is changing its commissioning process and its commitments to out-of-London funding offers some optimism, which I hope means that we will start to see more products for Scotland-based production companies and crews, particularly in unscripted commissions. I know that Screen Scotland is involved in the BBC with some of that work.

The Convener: Mr Smith, do you want to add anything?

David Smith: The principle of universality in how the BBC is paid for is vital. Beyond that, our main point is it should be well funded. It has suffered two charter periods of decreased funding, which has impacted the sector as a whole and impacts the UK's competitive ability in the international markets. Successes come from independent production companies and broadcasters in combination. That combination of intellectual and creative endeavour delivers those products that we then think about as being representative of UK broadcasting. However, if the BBC is constrained in its ability to spend, that impacts our competitiveness and it impacts our companies' sustainability.

We would always argue for the BBC to be well funded, but we would also argue for a BBC that then spends that money evenly and equitably across all four home nations. There are concerns, which we will get to in this session, about how the BBC has spent its money in the previous charter period, the current Ofcom regime that determines what qualifies and what does not qualify as Scottish and then, more fundamentally for us, the BBC's own view of how it delivers against its public purposes. Is it happy to meet the letter of certain criteria rather than deliver on their spirit?

The Convener: We will move to questions from other committee members.

Jamie Halcro Johnston (Highlands and Islands) (Con): Good morning. I will stick with the discussion about the BBC. You all support universality and the need for funding. I am interested in hearing your thoughts on public concerns about BBC spend on administration and managers and the fact that there are perhaps too many people on very high salaries. Does the use

of funding in that way need to change if public trust is to be restored?

I put that to Emily Oyama.

Emily Oyama: We have always been of the opinion that we want to see as much of that funding as possible go into content. As such, we need to see efficiencies in the BBC wherever possible. We are not entirely convinced about the people who spend the money, but we are very much in favour of as much of that money as possible going into content. Overall, the BBC contributes, I think, £4 billion or £5 billion but only around £1.2 billion goes into content, so there must be room for manoeuvre there.

Jamie Halcro Johnston: Certainly, my experience of the BBC over the years is that, although there is a lot of talk about the need for more funding, there is quite a lot of wastage. Your sector, in particular, is independent, and I do not imagine that money is flowing, so you want to see it used. Do you recognise that it is a question of how better to use some of that money rather than always looking for more?

08:45

Emily Oyama: There is that. Are there duplications happening, in which organisations are doubling up in the market? That is definitely something to consider, and middle management is something to think about. When the BBC spun out to create BBC Studios, a lot of investment went into it. We want to see it succeed, but I notice that recruitment to the BBC commercial arm increased last year, compared with the BBC's public service arm. You have to look into whether that is an efficient way of spending that budget, rather than spending it on content that could be spread across the nations and regions, including Scotland.

Paul McManus: Bectu is never slow to criticise the BBC when we see what we perceive to be waste. That said, I am not seeing a disproportionate amount of money being spent on administration services in BBC Scotland. There are times when we struggle to find managers to deal with issues, but I do not recognise that as a serious issue at BBC Scotland, which has improved its structures and processes dramatically over the past 10 years.

Where we have seen big cuts at BBC Scotland is in its programme-making capacity. Earlier, I mentioned BBC Studios, which is a commercial venture. However many managers it chooses to employ, it has to balance that against its financial results at the end of the year. In public service broadcasting, the huge majority of programme-making capacity was taken away from BBC Scotland and put into the commercial side. I do not

see huge amounts of money being wasted on administrative processes at BBC Scotland.

Jamie Halcro Johnston: I should say for the record that, as someone who comes from the Highlands and Islands and is from an island community, I very much value the BBC, particularly the radio side. I say that because I was on the BBC again this morning, so I should not criticise it in any way. However, the perception is that some of the things that we laughed at in "W1A", which was one of the BBC's best comedies, are possibly more accurate for those at the higher levels of such an administration.

David Smith: I could not watch "W1A", as it felt too close to home at times. The BBC has undergone two charter periods in which licence fee income has declined in real terms, which has driven a lot of cost cutting and reduction in head count.

I agree with Paul McManus in that, when I look at the BBC in Glasgow now, there are far fewer people working there than there were 20 years ago. The upper echelons of the BBC are an interesting place to be, because you sit in a Venn diagram between a highly competitive global commercial enterprise and a public service broadcaster. Recently, we have seen lots of very senior people leave the BBC for jobs in the commercial sector, so there is genuine competition for those roles. If the BBC is unable to offer a salary that attracts people of ability, it is at a disadvantage, and we want the BBC to be strong. The answer is not simple, but there has been lots of cost cutting, and it is necessary to pay people salaries that will attract them into significant roles.

Jamie Halcro Johnston: I am conscious of time, so I will go to a number of other points. Emily, you talked about confidence in the sector in some areas, which probably contrasted a little with what David Smith said. For independent companies in particular, is that a concern for the future? Why is there less confidence and what needs to be done to bring it back?

Emily Oyama: I will go into a bit of detail on that. Last year, we commissioned a report that looked into the changing nature of UK content and how it is impacting the diversity of supply. We found that, because of the delicate structural changes that are happening on the PSB side—reduced ad spend and a declining BBC licence fee—the broadcaster is having to pivot towards different commissioning strategies, which are pivoting towards fewer but bigger, better commissions.

That is inevitably polarising the commissions that are happening. The opportunities that are being put out there are the high-end drama and peak entertainment offers. The long-running

returning series that we used to see, which benefited the small to medium-size producers, are running away from us as an industry. That report found that the middle is being hollowed out, and I do not think that Scotland is immune to that.

The members that make up the Glasgow screen cluster tend to focus on unscripted factual entertainment programming, and some of those programmes that are successful to this day are made by Scottish production companies. For example, one of our members, Raise the Roof Productions, makes “Love It or List It”. If that company was starting out now, I do not think that it would have the same opportunities to create that kind of programming. The worry is that, in the next 10 to 15 years, companies will not have those opportunities. Let us say that I set up my own production company tomorrow—I would not have the same opportunities that Raise the Roof had 20-odd years ago when it started out.

Jamie Halcro Johnston: I know that things have changed and we do not all crowd around the television to watch the same programmes at Christmas as we might have done before, but it was very noticeable how many people were critical of what was broadcast at Christmas last year, and the number of repeats. There did not seem to be a huge amount of originality, and the viewing figures were a lot lower. I wonder whether that is a sign of how things are going to go, with a lot more repeats, because it is easier and cheaper to put those on.

David Smith: The key word in what Emily Oyama said was “opportunities”. It is a supply and demand market, and broadcasters have to be looking to commission programmes.

Charter renewal—I note that the green paper has been published—gives us an opportunity as a nation to ask what our public service broadcasters are for. I said earlier that there has been a migration of various genres on to YouTube and podcasts. That is true, but there remain very strong audiences for all those genres on television. The question is whether broadcasters are serving those audiences and commissioning programmes that meet their expectations.

I spent 20 years working in independent production. I ran an independent production company before I took on my current job, and I was national director of PACT in Scotland immediately prior to taking on my job. The health of the independent sector is really important to Screen Scotland, and we have a number of funds that are targeted directly at its ability to win new business. The question is whether there is a market for that business, and that has been at the heart of a lot of the research that we have published over the past couple of years.

The Oliver & Ohlbaum Associates report, which we sent to the committee as one of our papers, shows that there is a single UK-wide Ofcom regime for how programmes qualify as being Scottish. How the BBC approaches that regime and how Channel 4 approaches it are quite different. Channel 4 tends to look to Scotland-based production companies to meet its Scottish qualifying output requirements, whereas the BBC has tended, especially in returning series and long-running series, to look to London-based companies to meet that requirement and then qualify those programmes as Scottish through the Ofcom process.

We like a mixed economy. A mixed economy is healthy and good. It means that, if demand falls in one part, we are sustained in other parts. However, the reliance by the BBC on too much inward investment within the UK market to meet the Scottish quota has been a concern for us, and we would like to see a rebalancing of that. There is an opportunity here. The BBC has changed its rules a little bit. It has diverted from what Ofcom has set as the criteria and it has moved the bar. I cannot remember the exact wording that it has used, but it will tend towards commissioning programmes that qualify as Scottish only on the basis of having a substantive base, and meeting the 70 per cent spend test. That is really welcome, but it does not answer the question that we have been asking for the past five years, which is, “Will you please look to the Scotland-based suppliers to deliver that output?”

Jamie Halcro Johnston: You mentioned Scotland-based suppliers, but this is a big country. Recently, many programmes that are not based in the central belt have been very successful and have got a lot of attention, such as “Outlander”, “The Traitors” and “Shetland”, but are enough of the support side and the production companies based outwith the central belt? That is always an issue for my area, the Highlands and Islands, and others like it—we are a wonderful filming location, but is enough being done to base companies and people in such areas? If you are a creative, or a lawyer dealing with intellectual property, or whatever you happen to be within the industry, is enough happening in communities outwith the central belt?

David Smith: I am from Inverness originally, and I moved to Edinburgh then Glasgow to start my career. It is likely that that is still how most people have to start their careers. We work closely with Studio Lambert and the BBC on “The Traitors”, which is shot up in Ardross, to invest in training opportunities on that project.

There is a focus on the location of where productions are filmed. Our concern is more about where the companies are based. In Scotland, they

are predominantly based in Glasgow. I would say that 90 per cent of our production companies are based in Glasgow, and all our broadcasters are based in Glasgow. That is a function of the history of Scottish broadcasting. It is very hard to change that, because there would be real cost implications. Unless a production hires locally, you have to pay people for overnight; you have to pay various costs to complete the project. To reduce costs, we tend to cluster production into various parts of the UK—Belfast, Glasgow, Bristol and Salford. There are forces that drive all of that. However, my point is that it is not so much about where these things are filmed; it is about where the intellectual property is owned and where the backroom office jobs that you mentioned—the lawyers, the accountants, the heads of human resources and so on—are based. If those jobs are based within Scotland-based production companies that win that Scottish-qualifying output, more people will tend to be employed locally.

Paul McManus: David Smith talked about where companies are based and said that he wants a mixed economy for that. The BBC could be a lot more transparent when it comes to those discussions. I think about discussions that we have had with the BBC, particularly about the likes of “The Traitors” and the fact that the crew for that was largely imported from down south. Right back on day 1, BBC Scotland said, “It’s a London commission; it’s nothing to do with us. We didn’t put any money into it. We didn’t ask for this programme. London commissioned it. They just happened to base it in Scotland.”

You are always going to get that kind of thing. When “The Avengers” series was parachuted in a couple of years ago, Scotland had been picked for the location and we were not jumping up and down saying, “There’s a problem here about importing work into Scotland.” The problem is, as David Smith says, when people try and pass a programme off as a Scottish product, but none of the crew is from Scotland. Lambert does not have a significant base in Scotland and most of the money goes back down south.

We are pleased that the BBC Scotland commissioning teams are working much more closely with each of the genre commissioning teams across the UK, and they are currently working with a group of Scotland-based companies to try and develop them so that they can produce more programmes, including new programmes in areas such as comedy and entertainment.

The challenge for the BBC is that, in unscripted areas, audiences are notoriously fickle. The BBC would like to commission perhaps two or three series of a comedy or entertainment show, which would allow the Scotland-based production

companies to develop their expertise, invest more in training and build relationships with the broadcasters. However, it is a huge gamble for the likes of the BBC to commission two or three series, so it tends to do it on a year-by-year basis. You mentioned the likes of “Shetland”. We see programmes coming back year after year, but the BBC will not commission them for a number of years because it is so concerned about audience habits changing.

The BBC is doing a lot of work in terms of YouTube and online platforms to try and develop that side of the industry as well. I am seeing some more positive signs in terms of output, particularly on the unscripted side, but that has a long way to go because, as Emily Oyama said, the unscripted side of it is just dire and has been for the past couple of years.

Jamie Halcro Johnston: We had better not get on to the whole question of how many Shetland voices or accents there are in the “Shetland” series, which is something else that comes up.

Emily, do you want to add anything about opportunities within Scotland, in the regions?

09:00

Emily Oyama: We are of the opinion that the best way to grow the sector in Scotland and across the nations and regions is via the regional production quotas.

Going back to your previous question about what the solutions are, we would say that our current framework, which has fostered diversity within the supply chain, is sacred, and we need to retain it. There is a risk that some of that may get unravelled in the next few years. I urge the committee to look at the framework, which includes terms of trade, the regional production quotas, the BBC licence fee and origination quotas. Those four things basically enable the diversity of supply.

We think that the regional production quotas are flexible enough to allow for innovation to happen. We think that sub-quotas or sub-definitions that are added to the quota could stifle innovation, and we are a bit wary of that.

Patrick Harvie (Glasgow) (Green): Good morning. I have a couple of questions on charter renewal and one more general question.

My first question was going to be on the issue of quotas and criteria—we have covered some of that ground already. The green paper seems to indicate that the Government is open to change in that area. I wonder whether there is any prospect of the various voices from Scotland alighting on a consensus about the specific changes that would

be beneficial. Judging from the comments that have been made and the written submissions that we have received, quite a number of people seem to be suggesting that change is necessary, but they do not necessarily agree on what that change ought to be.

In principle, do you think that there is potential for consensus—I do not just mean in the committee and in our report, but within the industry—about what changes to the quotas and criteria would be beneficial, or is the range of views too diverse?

I recognise that a great deal of that needs to be about the economics of the industry, as David Smith said; it needs to be about skills, where IP is owned, and so on. Is there a role for criteria—this is an as well as, rather than an instead of—around the audience perception of what is being produced and whether a production feels like it is of or about Scotland?

David Smith: On the second part of your question, I have always thought that representation is really important—and a trap. Yes, we absolutely want to see Scottish subjects, Scottish voices, Scottish places and Scottish people on our screens UK-wide. I said in my submission that the lack of any kind of quota on the channel 3 licences remains a concern for us, because there is a distinct audience who watch commercial television, who are not necessarily watching the BBC or Channel 4 and who do not necessarily see that element of representation. We would be keen to see more of that.

At the same time, from a creative perspective, if a Scottish producer is required only to make things that represent Scotland, they are restricted. I have made a lot of documentaries over time. I always remember that, when I pitched up to see, let us say, the BBC head of arts, we would say, “We have this fantastic idea: we have access to the Rijksmuseum, and we are going to make a three-part documentary series about Rembrandt. It is all history using existing text,” and so on. They would say, “Maybe do Walter Scott.”

Why am I restricted to subjects about Scotland, whereas people in London are omnivorous and can graze where they want to graze? That is really important. Representation is vital. We want to see ourselves on screen, and we want to see programmes that mean something to us on the screen UK-wide. From the point of view of UK cohesion, that is very important, but it is also a trap. We should not be restricted to that.

Patrick Harvie: On the issue whether there is potential for consensus within the industry about what changes would be beneficial, are the views too diverse for that?

David Smith: I do not think that they are too diverse, but they are much more diverse than they were once upon a time. We have a much more diverse sector than we had previously. Some companies very much target Channel 4, some target the BBC and some target beyond those channels to the international platforms. It is a healthier sector than it was 20 years ago, but it is also a much more diverse sector.

It is always quite difficult to bring people together around the charter, because it is kind of dry, but there are elements of it that are really important. Number 4 on the list of the BBC's public purposes is that of contributing to the creative economies of all parts of the UK, and that is the part around which we will be trying to convene discussions in order to get people to think about what that really means. Across the last charter period, that has meant production in Scotland—that is, location filming and elements of production taking place in Scotland on projects that qualify as Scottish. We would like to see much more creative origination from within Scotland, which concerns issues of representation and diversity of voice.

Patrick Harvie: Does anyone else have views on that?

Paul McManus: As David Smith said, it is a really diverse industry. The primary focus for us is to get the BBC through the charter renewal process in one piece, to maintain the licence fee with the proper sentiment, and to focus on the political challenges that the BBC faces—the main challenge that the BBC faces.

I think that, in Scotland, the BBC is heading in the right direction, although it has a lot more work to do in terms of production. On quotas, we want Scotland to get its fair share of work, and we want a fair share of work to originate from within Scotland. However, there are historical challenges with that. Some of the big entertainment shows are filmed in Scotland—Pacific Quay has been fairly successful in that regard in recent years—but we constantly get complaints from members saying that the designers are always brought up from London. All the big game shows were always done in London, and that is where the expertise in designing them has always been. Given that that is the case, we have to dig down into the specifics to see what skills development and training is needed to ensure that designers in Scotland are getting the opportunity to work on those shows, so that, over time, they can then take charge of designing them.

The issue is extremely complex. It is too simplistic to say that it is a problem that a company has come up from London, because you might find out that the whole crew is from Scotland. Similarly, you might find that a Scotland-based company has

a commission but is using people from London. Part of our role is to dig down into the detail of that and identify the specific challenges. There might be a fair quota, but we need to make sure that it is fair all the way through the process and that Scottish creatives and off-screen talent are getting the opportunity to work on or produce the programmes.

I do not think that there is a straightforward answer to your question about an aligning of views over charter renewal. For us, the focus right now is on saving the BBC as a non-political, impartial broadcaster. That is the key priority.

Patrick Harvie: I was going to come on to politicisation in a moment, but I wonder whether Emily Oyama has anything to add.

Emily Oyama: From our viewpoint, there needs to be a coming together of the current BBC quotas in a way that ensures that there is no weakening of the quotas around nations and regions, which could be a risk. All broadcasters are looking at their obligations for the next 10 or 15 years and asking whether they can afford those obligations or whether they should be looking at changing them. We in the industry need to be very vocal about the importance of the nations and regions quotas and the independent production quota as well.

Patrick Harvie: Forgive me, but I do not want to misinterpret you. Are you saying that the issue is more about the application of the quotas and criteria than about changes to them?

Emily Oyama: Yes.

Patrick Harvie: Thank you. My second question was about politicisation, which Paul McManus started to talk about. The Bectu submission addresses the issue of politicised appointments to the BBC board. That is not the only aspect of the problem, as the BBC can quite fairly be accused of being part of the mainstreaming and normalisation of far-right, racist and culture war narratives in recent years. What changes in the charter could help to address that, perhaps either by removing political appointments that have been made in the past or by changing the rules about how they are made in the future?

Paul McManus: The key thing that we are looking for is for the Government to recognise that Governments cannot be involved in the process of appointing board members to the BBC. It is all driven from the board down. There have also been concerns about political appointments at the director general level. If there is a non-political board and it is left to its members to appoint the director general, there is a trickle-down effect and there is impartiality. The politicisation of the BBC affects our members as much as it does, in many respects, our colleagues on the journalism side of

things. You hardly ever see the BBC putting out a story about any of the key topics—such as what is happening in America or Israel—without at least a handful of groups saying that the language that the BBC is using is not acceptable or that it is denying the problem. When you talk to news people in the BBC, they are almost paranoid about impartiality. To put it in simple terms, to me, it is a fear of upsetting one side or the other.

Patrick Harvie: I would like to suggest that it is more a fear of upsetting one side rather than the other. The word “cancelled” is thrown around by certain types of voices, while others are sacked or forced to resign for supporting Palestinian rights, transgender people or other aspects of equality and human rights, and their careers are ended with barely a murmur or reaction in the press or any reporting of the issue.

Paul McManus: For us, that is why it is important that the BBC feels confident and is mandated to be impartial and to investigate. David Smith has talked about getting involved in documentaries over the past 20 years. I came into the industry in the days of Gus Macdonald; in those days, investigative journalists would quite happily shoot everybody down, based on the facts that they had investigated, rather than parroting what somebody said on social media five minutes ago. It is important that we put the BBC in a position where it feels confident and empowered to investigate all the scenarios that you are talking about and report them accurately, and to reflect what I think the majority of people, certainly in Scotland, feel about those situations.

Patrick Harvie: Do I have time for one final question?

The Convener: Yes.

Patrick Harvie: This is a slightly more general question, moving away from just the BBC and charter renewal. David Smith, in some of your comments at the very start, you quite rightly drew the distinction between production and broadcasting and, on the broadcasting side, you identified clearly the growth of streamers and other online platforms and the fact that traditional broadcasting is only one element of delivery of those productions. Within the industry, is there a clear sense of how far that is going to go? Is traditional broadcasting going to remain with us, or are we preparing for a world in which it disappears—or almost disappears—and pretty much everything is delivered through other platforms? That would require a much deeper reflection and rethink on regulation than is currently on the table.

David Smith: It depends on how successful we are through the charter period. My colleagues talked about how it is really important to get the

BBC through charter renewal and to sustain the BBC. It is important, but, in this moment, we have to ask—to what end? Charter renewal comes around every 10 years. There are voices suggesting that we extend that period, but the BBC focuses on these questions only at charter renewal. It is really important that we retain at least a 10-year cadence when it comes to the renewal period. It is really important that we have a strong public service broadcasting sector in the UK, and it is really important that we have a very strong BBC. It is a vital element of our whole economy.

Patrick Harvie: The bigger factors here are technological change and its take-up, as well as audience behaviour. Are those factors likely to drive traditional broadcasting towards an ever smaller niche?

David Smith: Possibly.

Patrick Harvie: Or do we think it is going to settle at a level?

David Smith: We seem to have reached a plateau in the Scottish economy, where spend is roughly 50:50 between the public service broadcasters and inward investment productions. It has been fairly static since the pandemic boost, and that is where it has levelled out. However, audience consumption patterns are continuing to change. In my household, the first thing that my kids put on is YouTube, and YouTube is on the TV. I cannot remember whether it is the YouTubification of television or the televisionification of YouTube, but that is going to continue. The patterns will continue to change, and I suspect that the element of viewing that is dedicated to the public service broadcasters will continue to reduce over time.

That drives us back to the question of why we have public service broadcasters, what we expect from them and what we want from them. From our perspective, economic contribution to and economic growth in Scotland are vital; creative origination from within Scotland remains very vital; and developing the audience for content from Scotland is vital. Those are the three things that we look for, but underneath them are a whole load of other outcomes. Just getting the BBC through charter renewal is not enough. At this moment, we have an opportunity to ask to what end we are doing this, and what outcomes we seek.

09:15

Patrick Harvie: Are there any other perspectives on the long-term direction of travel?

Paul McManus: From our perspective—certainly from my perspective—there will always be a place for traditional broadcasting.

When I talk to younger folk—in my situation, that group of people is increasingly expanding—I hear that, as David Smith said, they sit in front of the television and watch YouTube, Netflix or whatever, but I actually find that that makes them more open to watching the BBC and public service broadcasting. If they are sat in their room or out and about with their pals, they are on their phone watching stuff such as social media clips or listening to podcasts; they do not think, “Let’s go and have a look and see what’s on the BBC.” However, when they are sat in front of the TV, scanning through to see what is on, they might say, “Oh, right—what’s that on the BBC?” In some ways, that has helped to raise the profile of the BBC with younger people, but it is important that there is a standard for the BBC and for public service broadcasting.

I spend a lot of time saying to my kids and to other people, when they tell me about the latest news story, “That’s all AI generated—if you want to know what’s happening on that particular subject, go and look at the BBC and STV, and you will get much closer to the truth than you will from something that somebody has made up in their bedroom.” It is too easy for kids and younger people to accept what they see if they do not have the knowledge that not everything out there is the truth and that there are people who are deliberately not telling the truth. I look to the likes of Finland, which runs classes on fake news and social media awareness, and think, “God, I wish that was mandatory everywhere.”

Emily Oyama: I think that everyone wants to see their lives reflected in the content that they watch—that is the key thing about public service broadcasting, and the most important thing is to sustain it. That then feeds into the diversity of supply, which I talked about earlier. It is important to ensure that public service broadcasters create storytelling that resonates with different age groups and different audiences. That might involve going to where audiences are—I know that there has been discussion about that, but I think that it is important.

Patrick Harvie: I thank you all for your answers.

The Convener: I have a supplementary question on the area that we have been covering. We are all getting older, and the younger generation is coming up behind us. In the past couple of weeks, I heard a report on Radio 4 about how young people do not see themselves as consumers of BBC content, so they are less likely to pay the licence fee because they are paying for other streaming opportunities. Does it present challenges for the sustainability of the licence fee if a whole demographic is disengaging from the BBC and from paying the fee as a matter of course? David, do you want to come in on that?

David Smith: The answer is obviously yes, but the onus is then on the BBC to meet that audience where they expect to find content. Thinking back, the BBC started radio and television; it did not start YouTube or the internet delivery of video content, but the audience is there on TikTok and YouTube. The BBC is migrating and moving more of its content on to those platforms—the answer is for it to be there and meet the audience where they are.

Paul McManus: It is incumbent on everybody, collectively, including Governments and public bodies, to impress on younger people the vital importance of having public service broadcasting in a traditional broadcasting format. Yes, as David Smith said, the BBC is getting great at moving on to the social media platforms and trying to go where the audiences are, but that ability comes from the starting point that it is a public service broadcaster. There needs to be a bedrock of ensuring that young people understand that public service broadcasting is vital and that, without it, we are just in the wild west of make believe, which presents significant, serious and fundamental challenges for the culture and democracy of the country.

We all need to educate young people on how important it is that that public service broadcasting underpins everything that they watch.

The Convener: Do you have any further comments, Emily?

Emily Oyama: No.

The Convener: Okay—I will move to Mr Kerr.

Stephen Kerr (Central Scotland) (Con): Emily, you talked about inward investment, but it appears to me that all three of you also appear to have a concern about the nature of the inward investment. Basically, money comes to Scotland so that Scotland can be used as a backdrop, and some aspects of the creative landscape, all the way through to the engineers and all the rest of it, are utilised.

However, David, you mentioned IP ownership a few times. Is that how you define the success of Scottish broadcasting: that we are retaining the IP? Part of the problem in relation to inward investment—these things are all joined together, are they not?—is that we are selling that IP, often to the highest bidder, which inevitably ends up being Netflix.

David Smith: You touched on many different things there, all of which are vital. As a national screen agency, we operate the screen commission. Scotland being used as a location has value, and we are really active in drawing productions into Scotland. Whenever we do so—for example, when we got “Frankenstein”, which was a Netflix production that came to Edinburgh,

Glasgow and Aberdeen to film—we try to drive training and crew engagement opportunities, and we try to encourage employment in Scotland on those projects. However, they are a travelling circus—they come and they go; that is their nature.

Stephen Kerr: They bring a lot of business.

David Smith: Yes—they spend a lot of money in the economy. In addition, “Frankenstein” will sit on the Netflix platform, and Edinburgh and Glasgow will be represented in that programme, for decades. People will see that, and it will drive screen tourism, so there is value in that.

The second parallel path would be our national broadcasters, which we look to more for intellectual property ownership. Netflix does not allow its suppliers to retain IP, whereas most of the international platforms do. Around 20 or 25 years ago, PACT ran a campaign and worked with the Governments in the UK—it was a Conservative UK Government at the time—to deliver what became known as terms of trade, in which independent production companies retain the IP and the content that they deliver to the BBC and Channel 4, and they can sell that in international markets. This inquiry is about the health of the broadcasting sector, and that was the fundamental move that kick-started the growth of the sector in the UK. It involved producers owning and retaining their IP, with broadcasters taking a licence, but only for a limited period of time and a certain number of screenings. The producer can sell the IP again and again—they also own the IP in the underlying idea as well, and they can sell that idea.

The health of the sector depends on IP ownership. That is why we see Disney buying Marvel and all of those projects. The IP is what drives consumer attention, and it is where the long-term value is.

Stephen Kerr: It is all about scale, is it not? It comes down to money and scale.

David Smith: It is about money, scale and leadership, and the IP in the long term, because that is what allows producers to reinvest income in new ideas that deliver new business. That keeps the cash flow going, which keeps the business open, and it keeps going from there.

Stephen Kerr: That income can also be derived from the sale of IP to the giants, in the same way that we have feeder football clubs that bring on some talent and then sell it, with all the contractual add-ons.

David Smith: We are seeing that more and more in secondary markets. For example, “Still Game” is massively successful on Netflix; the IP in that project remains with the production company in Glasgow.

Your example of development clubs is important. Producers do not tend to get commissioned by Netflix until they have been successful on the BBC or Channel 4. Those channels are where people learn how to make programmes and develop their reputation. Having a viable market on those platforms—the BBC and Channel 4—gets producers to the international opportunities.

Stephen Kerr: So, you are highlighting the dependence on the public service broadcasters by organisations such as Netflix and Disney, but they—

David Smith: Sorry—there is also the opportunity point that Emily Oyama made earlier. If we think about the number of projects that Netflix, Amazon or any of those platforms are commissioning from Scottish production companies, we can count them on the fingers of one or two hands. They are economically really impactful, but there are few of them. We can compare that with the demand from the BBC and Channel 4. They remain the opportunity market for Scotland-based producers; that is where those producers will tend to win business. That might lead ultimately to—

Stephen Kerr: Hence, you all gravitate towards the idea of quotas so that there is regional equity.

David Smith: UK broadcasters have had a tendency not to look beyond the M25 unless they are required to do so, because it is easier. It is a confidence game—

Stephen Kerr: Is that still massively the case, though, given the Salford studios and everything else? Channel 4 has deliberately tried to change that.

David Smith: It is still the case—that is still the tendency. The mileage may vary, let us say.

Emily Oyama: It has got better over time, since 2017. In terms of—

Stephen Kerr: We had the Salford studios, and the Channel 4 decision to relocate outside London.

Emily Oyama: Yes, and with the increase in separate quotas that the BBC set up, for which we campaigned, we have started to see a shift into the nations and regions. However, 60 per cent of the revenue—within our membership, anyway—is London-centric. That is why the nations and regions quotas are vital in sorting that market failure in the system.

Stephen Kerr: That brings me to a point that Paul McManus made earlier; I thought that it was a very important point that deserves to be amplified.

Paul, you talked about how the Scottish companies will often bring in people from down south because we do not have—or do not appear to have—the people, the talent and the resource on the ground in Scotland. I have spoken to a number of businesses in the broadcast field and they always bring up the paucity of routes into the market for young or aspiring engineers, camera people and so on. Do you share that concern?

I tend to measure the health of a sector by its talent management approach. I do not know if you agree with that, but it appears to me that that is a problem in broadcasting in Scotland. We do not have many routes for young or aspiring people to get into the sector.

Paul McManus: We do not have a lot of routes in. However, the situation has got dramatically better, and the routes into the industry that are there have got much better over the past 20 years.

However, I think back to the committee's previous evidence session, in which witnesses talked about STV's proposals. All the engineering talent is being removed from Aberdeen, so if someone lives in Aberdeen, Inverness or the north of Scotland and is looking for a route in, they are following David Smith's route and saying, "Right—let's get down to the central belt, because that's the only chance I've got."

Stephen Kerr: What has been put to me—I am just testing this with you—is that a lot of those people were actually trained by the BBC.

Paul McManus: I do not think that that is so true nowadays. The BBC still does a huge amount of training: it brings in apprentices every year and it is still, in many respects, the gold standard on the broadcast side of the industry. However, a huge number of people are being churned out by colleges and universities through various media courses, and I do not think that their expectations are being managed. Broadcasting is a difficult industry to get into, relative to other sectors, because there is not a lot of opportunity. That is not helped if Scotland does not get its fair share of work coming up to the Scottish production companies, as those companies then do not have the opportunity to offer training. If people are not commissioning two or three series at a time, those companies do not have the ability to bring in people and train them to go into the industry—

Stephen Kerr: Or the will to do so, actually, because of the nature and complexity of having apprentices. That is what has been put to me by businesspeople. They say that the administrative cost and the challenge of managing an apprenticeship in the way that we do it in Scotland puts them off, so they tend to take people—

Paul McManus: No.

Stephen Kerr: No?

Paul McManus: No, absolutely not—I disagree with that fundamentally. I go back to the elements of fair work that I spoke about at the start. There are still people out there who think that the route into the industry is to volunteer for six months and work as a researcher or a runner, getting no pay, with the production company saying, “If we get another commission in the future, mebbe we can start to pay you.” It is not about a lack of opportunity—and this is where the commissioning tariffs and the commissioning process are so important. The BBC is thinking, “If we commission a company in Scotland to make work, can we build an element of training into that so that trainees are given an opportunity to come in?” David Smith talked about the likes of “The Traitors”. Can we talk to those companies and pressure them to invest in training and give people routes into the industry or to develop their careers?

09:30

Stephen Kerr: I am talking about apprenticeships.

Paul McManus: Yes, but a lot of the time, with people coming up from London, it is not about a lack of resources—for example, “The Traitors” could have been totally crewed in Scotland. It is about desire and the relationships that people in London or up here have with people they have worked with before. They are thinking, “I’ll bring my favourite director of photography up from London rather than go looking for somebody I haven’t worked with before in Scotland.” That is more of an issue.

Stephen Kerr: But it is hard to get in. That is the point that I am making.

Paul McManus: Oh, absolutely, yes—it is extremely difficult.

Stephen Kerr: The BBC has been—as you said—the “gold standard” way to get into the sector in the past. You have an experienced BBC apprenticeship—

David Smith: I would disagree with that—

Stephen Kerr: Oh good—please do.

David Smith: Yes, once upon a time, the BBC apprenticeships were—and in certain areas, still are—the gold standard. However, we operate a project called screen NETS, which has been involved for 40-plus years in film and high-end TV drama production in Scotland, and that is the gold standard for getting into production crew.

Apprenticeships do not really work in our sector in production terms, because no production lasts long enough to sustain an apprenticeship. Screen

NETS acts as an employer for those trainees and moves them from production to production. Someone will not come out of it having completed an actual apprenticeship, but they have work-based experience and they have credits, and ultimately, at the end of the day, those are the two things that most people look for when they are hiring somebody and asking, “What have you worked on?”

Stephen Kerr: But there must be a way of organising that so that people end up with some kind of recognised qualification beyond experience on their CV.

David Smith: Well, we are moving to that. In September, we introduced film and screen as a subject in the national curriculum; it became the first new subject in Scotland’s national curriculum in over a decade. The next stage for us is to look at how that moves into further and higher education, and at the bridge from there into work.

Stephen Kerr: Yes, because if you do not do that, you will stay with the situation that Paul McManus just described. I should declare that my wife has a background in the sector, and Paul was exactly right: it is, “Work for six months with no pay, show willing and be enthusiastic; someone will spot you,” and so on. However, for nearly everybody, it does not work that way.

David Smith: I do not think that it works that way for most people, I have to say—

Stephen Kerr: No, probably not, but it would be one in 1,000 or one in 10,000—

David Smith: No, no—it is the reverse of what you think that I was meaning there. I do not think that that is how most people join the sector. Most people join in paid roles. They may not join in well-paid roles, but they join in paid roles. Every opportunity that we deliver has to be fair work compliant.

Stephen Kerr: All that I am saying is that I think that there is agreement that, in order for the sector to be genuinely healthy, looking at the way in which we approach skills acquisition and qualifications and how people progress in their careers, there needs to be some kind of a path that they can aspire to, at least. At the minute, that is really not formed.

David Smith: I agree, but I think that it is more formed than you might imagine right now, and it is becoming more so.

When Screen Scotland formed, we spent roughly £400,000 a year on skills development. We now spend more than £2 million a year, with match funding from industry, on projects such as “Dept Q”, “Outlander” and “The Traitors”. It is work-based experience. Screen NETS is about to be

readvertised: there will be eight new training opportunities on that project. Those are clear pathways that have been sustained for a long time. With each project that comes up in Scotland, we are in a really fortunate position now. I remember when "Monarch of the Glen" was the only drama in Scotland, and then there was a period when there was not much else. We now have multiple dramas returning, such as "Shetland" and "Dept Q"—there are a whole host of them, and they are vehicles to upskill people.

Stephen Kerr: But the more recognisable the structure of that career formation, the better it is for the sector.

David Smith: Agreed—totally.

Stephen Kerr: And we do not have that yet.

David Smith: I think that we have it to a greater extent than you might imagine, but yes.

Stephen Kerr: All right. I am glad that you are challenging what I am imagining, which is based on what people have said to me about how difficult it is to get into the sector, and how hard it is to show accreditation. Is that a fair point, Paul?

Paul McManus: Yes—from my point of view, the accreditation part is key. That goes all the way up to the question of who runs training and skills in Scotland. We have ScreenSkills with a UK-wide perspective, and we have different things happening in Scotland.

I do not think that David Smith and I disagree on that. In my view, the BBC is still the gold standard in terms of broadcasting jobs. In terms of TV production, as I said in my submission, the BECTU Vision programme has, with Screen Scotland and the BBC, been instrumental in changing the landscape on production skills, helping people to get into the industry and progress through it and to develop their skills.

However, we still need to create a situation in which somebody says, "I've been in the screen NETS programme", or "I've been in the BECTU Vision programme", and the producers go, "I know what that means, so I'm willing to employ you." At the minute, they cannot even hold up a bit of paper and say, "I'm a qualified electrician", because there is no single qualification. There are industry initiatives such as the rigger scheme and the grip scheme, and we are starting traineeships in the electrician scheme. We need more strategy at that level. Instead of a producer saying, "Can I phone the mate you worked for last and see if you're any good?", there has to be a bit of paper that says that someone is qualified to do the job.

Stephen Kerr: And something structured behind the bit of paper, which is the critical thing.

Paul McManus: Yes.

Stephen Kerr: The bit of paper represents something far more structured and substantive.

Paul McManus: But a lot of work is happening behind that bit of paper at the minute. They are going in with a bit of paper but, as David Smith says, there is a huge amount of work.

Stephen Kerr: So there is more to be encouraged about, basically. David Smith is encouraging me to cheer up a bit.

David Smith: We will write to you outlining all the skills, activities and results.

Stephen Kerr: I shall look forward to it.

David Smith: We will also invite you to the set so that you can meet people in action.

Stephen Kerr: I am always grateful to meet people who challenge my imagination.

The Convener: The committee has previously been concerned about the decommissioning of "River City". The skills and permanent jobs were a big concern at the time. Has anything filled the gap, or is there any prospect of something filling the gap?

Paul McManus: Not in terms of a continuing, permanent drama series such as "River City". The BBC announced three drama commissions last year, which it was at pains to say were not designed to replace "River City". However, it demonstrated the BBC's commitment to offer similar or greater levels of work. Late last year, the BBC said that it intends to double the amount of money that it spends in the nations and regions. BBC Scotland is working on more drama commissions. We have been talking about ensuring that the production process is planned, so that we do not end up with four dramas at once and none for the other nine months of the year.

We are confident that, overall, there will be more employment opportunities for more people across the year than there were when "River City" was the excuse: "Well, we've got "River City", so we don't need to worry about any other dramas." I am not saying that the BBC was as black and white as that, but that was the concern.

I am fortunate enough to remember the days before "River City", when several dramas were regularly shooting in Scotland at the one time. Hopefully, the commissions that are taking place now and the ones that are slated to come through in the coming year will more than replace "River City", which was all BBC Studios employees and a very low number of permanent employees. A large number of freelancers worked for a great many years on it.

The Convener: I was thinking about skills development, continuity of work and all the things that build a profile for someone in the industry.

Keith Brown (Clackmannanshire and Dunblane) (SNP): My first point is about the BBC charter. Rightly or wrongly, we all feel a bit more invested in the BBC because of its longevity and how it is funded. You said that political interference would be a bad thing. I am thinking about what people might perceive as political interference, for example, in relation to the charter renewals over a number of years. The licence fee has undoubtedly been the subject of such interference. The unanimous view of this panel of witnesses and, I think, all previous panels, is that we all want to see a strong BBC and a licence fee. Having said that, I agree that, for young people in particular, the licence fee will be accepted if it is deemed to be of value and relevant to them, which is an important consideration.

On the issue of news, it is interesting that, although all the politicians here have had their issues with the BBC, very few have had an issue with STV. I could be wrong, but it seems that STV does not attract the same kind of political attention. If we look at what is proposed at STV North, maybe that has not helped.

The issue with the political aspect is that it is more about what the BBC in Scotland does not cover than what it does. It seems to have an aversion to covering reserved issues that impact on Scotland as opposed to devolved issues. For example—it is probably best to give an example—we have had documentaries ad nauseam about the situation with the two ferries in Scotland, but two aircraft carriers were built in Scotland and that attracted virtually no attention from the BBC in Scotland. They were more than three times over budget and went massively over their timescale, but there was no coverage of that. The cost of that dwarfed the cost of the ferries. I have been raising this issue with individuals going as far back as Gordon Brewer, but the response seems to be that the BBC cannot get UK ministers to come on to programmes to answer questions.

I am interested in what Paul McManus said about Finland and disinformation. I said to some previous witnesses that most politicians here will do talks to modern studies pupils at school, and they are very often asked, “How do I know what to trust in what I see?” However, I think that it is more about what they do not get to see and to know about, and that is pervasive.

We had Mark Davie at our—is that his name?

Paul McManus: Tim Davie.

Keith Brown: Tim Davie, yes. He said that, every week, his door was opened by five or six

Labour and Tory people, berating him for some content, and that closeness in London is what drives that agenda.

Scotland also loses out by not having as powerful a say on that agenda. I am talking about news broadcasting in particular. I am interested in any views on that and on what might help the BBC to resist continuing political interference.

Paul McManus: From our perspective, the non-political mandate is key to it all because it gives the BBC the confidence to say that it does not matter who is in power. Because that has not been in place, there is a concern that the BBC feels that it has to bend to the will of whoever is holding the purse strings in the Government in London at the time.

On what the BBC chooses to cover, from Bectu's perspective, one of what I would call the blessings that I have had during my career is that, when we discuss things with the BBC, we do not stray into editorial control. We talk about the nuts and bolts of jobs, pay and conditions. I constantly remind myself and my colleagues that we do not comment on editorial output. The role of this committee and the Government is to challenge the BBC about why it is always talking about the ferries, which nobody is interested in, but it does not talk about the disaster with the aircraft carriers.

Keith Brown: We are interested in ferries, by the way—I am not saying that we are not interested in the ferries.

Paul McManus: No, but I get it that there are stories out there that have been done to death. Just because the BBC wants to be impartial, it does not mean that it does not stray from the truth or get things wrong at times, and the same is true of STV. It is the role of this committee and the Scottish Government to hold broadcasters to account and make sure that they are being impartial and fair-handed in their coverage.

David Smith: It is almost a strange argument for more political involvement. In its various forms, this committee has been fundamental in driving better outcomes across broadcasting in Scotland for the past 20 years. Looking forward to charter renewal, we would argue for a greater level of devolved governance in the BBC across the nations and a greater role for the Parliaments in Wales, Northern Ireland and Scotland alongside the role of the committees and Government in Westminster.

Yesterday, we were speaking with our colleagues at Northern Ireland Screen and Creative Wales. It is a bit of a sub-point, but Creative Wales told me that it has a news reporter funded out of a publication in Caerphilly that essentially covers the Senedd and distributes those reports free for use across all publications in

Wales. That is funded by the Welsh Government. There are therefore ways of driving coverage.

On top of that is the point about governance. When we started to look at the green paper, we were concerned about the role of the Westminster Parliament in comparison with that of this Parliament or the Parliaments in the other devolved nations.

In our evidence, we indicated that the Culture, Media and Sport Committee at Westminster has 11 members. All of them represent English constituencies, and 10 out of the 11 represent constituencies in the south-east of England. That makes it very difficult for us to get purchase in that committee; we have no local representation there. Parliamentary oversight and governmental oversight require a more devolved structure.

Separate to that, once upon a time, the BBC's own governance structure included strong committees in Scotland, Wales and Northern Ireland that supported the members of the board who sat in London. They also supported and challenged the executives in each of those areas. We would like to go back to a system in which the BBC's governance is much more strongly devolved across all four nations.

09:45

Keith Brown: Emily, do you want to come back in on that?

Emily Oyama: I have nothing to say on that.

Keith Brown: I return to the idea of quotas.

This will mortify my children, but I have never watched "The Traitors". Last night, on my family's WhatsApp group, there were 32 different interactions about the latest episode. My kids and their partners are all obsessed by it, but I have never watched it. I hear the objections to its being imposed on BBC Scotland and now being used by the BBC to justify what it does here, but it is hugely successful and is being exported all over the shop. The point was also made that "River City" will be finishing, which is another issue that the committee has discussed.

I am not sure that there is a huge deal of confidence that Ofcom will do the right thing in holding the BBC to account to ensure that there is more Scotland-based activity. Is there an agreed standard in the industry for what people would like to see as quotas for Scotland? Is there a way of defining the quotas, or are people happy with the current definition that is used, as long as it is used well, which might be the case with Channel 4 but not so much with the BBC? Is there a proposal that people in the industry agree would serve Scotland well?

Paul McManus: In terms of strict quotas, we have talked about 9 per cent, which is the percentage of Scotland's population as a proportion of the UK's, and work being distributed on that basis. I do not know whether people agree with that, but there has been a general sense over the years that the level of work that we should get should be based on population. That is the basis that people have talked about in relation to Scotland-based work by companies that are based in Scotland, using Scottish crews.

Late last year, in response to challenges from a great many people, the BBC said again that, in future, it will go beyond the three key criteria, which relate to ensuring that the majority of off-screen talent is based in Scotland, the 70 per cent production spend and the substantive base.

It is early days for us to see whether the BBC will deliver on that commitment. It is talking about doubling its investment outwith London and going beyond the Ofcom criteria, although I tend to agree that, given the light-touch regulation that we have these days, that does not make a lot of difference. It is more important to us that we hold the BBC to those commitments, which will benefit companies and crews in Scotland.

Keith Brown: I have a final question on that last point. I have mentioned this before, and I am not sure that I am getting the point across well. Somebody else—I think it was the deputy convener—said something about watching TV at Christmas. It was a case of 57 channels and nothing on, in the words of the Bruce Springsteen song. There are lots of channels, and there is apparently a lot of diversity, but there are an awful lot of repeats.

Given that it is a global market, and given how dependent we are—even if we lose the IP—on people such as Paramount, Disney and Netflix and how valuable they can be if they decide to do something in Scotland, is it not the case that, especially in the light of the "River City" closure, we would benefit from establishing a base of engineers, production assistants, broadcasting people, writers and so on that everybody would contribute to? That is probably a question for Screen Scotland. That way, if those footloose multicountry companies wanted to do something in Scotland, they would know that all the expertise was already here.

That would be difficult to arrange. It is a diverse sector, and such an approach would require people to give up some control. That is the way that Ireland would do it. I am not saying that it does that in this context, but it does it in many other contexts. That would involve taking a team Scotland approach, which would mean that there would always be a bank of production assistants,

directors of photography and so on available. The BBC would probably be the biggest player in that, but others could be part of it, too.

I do not know whether I am getting this point across well, but surely we want to sell ourselves in the best possible way to attract other big productions, if possible. Currently, if international production companies decide to come here—it is a very competitive market—they bring their own people from elsewhere. However, if they knew that we had top-class people in Scotland—sound engineers and all the rest of it—would that not increase Scotland's attractiveness?

David Smith: We would like more thought to be given to how Ofcom quotas operate to deliver outcomes. I know that the committee is taking evidence from Ofcom later on. The BBC charter has public purposes that drive various elements. That is a Department for Culture, Media and Sport process. Ofcom quotas run in parallel to all of that—they are not part of the charter renewal process.

We have long-standing concerns about the ability of any project to qualify as Scottish solely on the basis that it has a Scottish qualifying base. If a production company has a base here, that could be an all-singing, all-dancing base with an HR department, a legal department, a production department, a development department, editing and all of that, or it could be a couple of people, one of whom is a production manager and one of whom is a development executive.

That concerns us, because the economic impact of productions is not measured through that mechanism. It is measured through the 50 per cent and 70 per cent tests, but a company does not need to pass those in Scotland, provided that it has a substantive base here and the other two quotas are met elsewhere in the UK outside of London. That is an inherent problem for us. We would like a proportional allocation of the economic impact to be considered alongside qualification.

There is also the very difficult question of what is and what is not a Scottish production company. For us, a Scottish production company is one that has been formed in Scotland and is managed and controlled in Scotland. That is separate from its ownership. For example, IWC Media, where I used to work, is owned by Banijay, an international group, but it remains very much a Glasgow-focused, Glasgow-based production company. I understand that it will be difficult for Ofcom to throw criteria around that, but there is something there that could be measured.

I go back to the point about a mixed economy. We want to see a process whereby the BBC, Channel 4 and, ideally, the channel 3 licensees are required to spend a proportional share of their

production expenditure—their commissioning budgets—in Scotland. That spend should be roughly connected to population share, as Paul McManus said. I would say that that is a minimum, which should be exceeded, where possible.

On top of that, there could be a requirement that the balance of that commissioning—the productions that qualify as Scottish—should be from Scottish-formed, Scottish-managed and Scottish-operated businesses, because that drives IP ownership and long-term value. That would also drive the skilled roles that you mentioned, which we could use to attract the bigger productions from outside the UK.

The PSB market is separate from the big international platform market, which is not driven by the same concerns as the BBC and Channel 4. Those big international companies have no political imperative to do anything in Scotland. They come here because we already have a network of studios and fantastic crews, and we are growing more of them. We have a great diverse built and natural environment that provides fantastic locations, and we offer a positive environment in which to work. It is part of Screen Scotland's role to attract those companies' productions to Scotland. A key element of that is the combination of having the studios, the skilled workforce and a positive attitude.

Keith Brown: I do not know whether it still does this, but I have mentioned before that Canada had a requirement whereby, whether on radio or TV, a certain proportion of output had to be Canadian. That was because it is right next to the powerhouse that is the United States. That seemed to be accepted by everybody. Within that, I think that it also had French-language quotas, but I could be wrong. The French, too, are very good at that. Would hard quotas not be a good thing for Scotland?

I took it from your answer to my second question that there would be no merit in trying to put together an offer that was inclusive of all the different interests in Scotland that could be marketed to appeal to international companies? If that is the case, I am more than willing to hear it.

On your point about our having the technicians and so on, the committee has previously heard, in a different inquiry, that that is under real threat, because "River City", for example, is ending, with the result that the benefits of that long-running drama will be lost. Am I right in saying that you are not concerned about that, because you think that the offer that we have is the right one?

David Smith: No. There is always room for improvement. The loss of a production such as "River City" has an impact. Returning drama is unique in that it is mostly all-year-round work that

has a continuous demand for new entrants. "River City" has been a fantastic vehicle for new production. There is definitely a concern that its loss will have an impact, but we are working very closely with the BBC, Bectu and others to deliver training opportunities around the new dramas from Scotland. We are mitigating that loss.

At the same time—Paul McManus will correct me if I am wrong—15 years ago, we had one and a half or two full-on crews that could support two big productions continuously in parallel. I would say that we are well above that now—we can cope with three, four or five productions concurrently.

As you mentioned earlier, there is a concentration on the summer months that we would like to address. We are thinking about how our funding could work to drive more activity in the winter months; we might incentivise productions that film in Scotland from November to March. At the moment, we are looking at two or three productions in the early months of this year. We are up to double digits for most months across the summer. There is real pressure on the crew in Scotland that drives the bringing in of people from elsewhere, even if it is a Scotland-based production. That is why it is important to have a mixed, managed economy, in which an agency such as Screen Scotland has an overview.

Paul McManus: The model that you are asking about would not work. Again, it is necessary to differentiate between broadcast skills and production skills, and between broadcast needs and production needs. "River City" is one particular type of production, so working on it will not necessarily give someone the skills to work on other types of production. It is about the processes and strategies behind that. The skills and the numbers have developed over the past 10 or 20 years. It is a case of making sure that we have the agencies and processes in place to deliver the skills that you are talking about.

Equally, broadcasters such as the BBC and STV have the buildings, the technology and the logistics to drive forward the broadcasting skills that are needed. The skills that are needed to broadcast are not the skills that are needed to make a production, although there is some overlap. The BBC and STV do not have a lot of the skills that you are talking about, because those are production skills. STV Studios and BBC Studios hire those skills on a freelance basis, so it is our job, among others, to ensure, collectively, that those skills are available. That has happened—we probably have four or five full crews available for drama productions at the minute.

Timing is always an issue. I frequently get people phoning up and saying, "They've brought a team of electricians up from Manchester for this

production. That should've gone to Scottish crews." When I ask them whether they are available to do the work, they say, "Not unless they could hold off for a couple of weeks. We've got to finish off this job." I say, "That's not how the industry works, mate." I get complaints about the fact that there is too much work. We will all go on working to deliver more skills, but that is a better complaint to have than there being no work up here.

I go back to my bugbear about fair work. Yesterday, I was sent an advert by a production company that is looking for a really experienced producer to do podcasts five days a week, but the company is offering less than the national minimum wage. Before Christmas, I was sent an advert by a company up here that was offering somebody six months' free training if they worked for nothing. What a great way to get into the industry.

Lower-level football clubs and even a couple of Premier League clubs are constantly offering opportunities for people to get free training if they will come and do their media and film their games for their YouTube subscription channels. Their attitude is, "We'll make money out of it, but we're not going to pay you anything." That is an element of the industry that cannot be ignored. There are a lot of great things happening in the industry, and I am really positive about the industry overall, but there are a lot of things that need to be addressed.

David Smith: It is worth saying that those opportunities are not necessarily in broadcasting as we would describe it—public service broadcasting—nor are they funded by Screen Scotland. Those opportunities sit in the broader commercial world.

Paul McManus: Absolutely.

The Convener: I apologise to Neil Bibby and George Adam, because we are over time, but I want to get your questions in. If you could be concise, that would be helpful.

10:00

Neil Bibby (West Scotland) (Lab): You mentioned fair work, Mr McManus. I was going to raise the issue, because you mentioned it in your written submission and your opening statement. When it comes to the robust implementation and maintenance of fair work policies at all levels, why are those principles and policies not being adhered to in the way that you would like? Is that because of a lack of education, a lack of understanding or perhaps even ignorance?

You have called on the Scottish Government to "mandate agencies such as Creative Scotland/Screen Scotland, Event Scotland, Sport Scotland and Local

Authorities to play a full and robust role in addressing the serious deficiencies in Fair work created by the 'long hours, no complaints' culture prevalent within the industry for too long now."

What conversations have you had with the Scottish Government and the cabinet secretary about addressing those points?

I also ask the panel more generally, in the interests of time, about the evidence that we received last year from Dr Lisa Kelly from the University of Glasgow on safety in Scotland's screen sector. She highlighted systematic gaps in safety skills and mentioned research that showed, among other things, that three quarters of UK crew had reported that their own safety, or that of a colleague, had been compromised at work. She recommended that safety should play a greater role in education and training and that public funding should be tied to productions with a demonstrable culture of safety.

I am keen to hear the thoughts of the rest of the witnesses on that, but I will start with Mr McManus on the fair work point.

Paul McManus: You asked what we are looking for from public bodies. Glasgow City Council is snowed under with requests to close off streets for film productions, but I would be surprised if, at any stage in any of those conversations, the council had ever asked any company whether it was adhering to the Scottish Government's fair work policies in talking to unions or giving people an effective voice, opportunities and so on.

A huge range of sports are trying to increase their media presence and profile. Sportscotland and EventScotland fund a lot of those. We have had conversations about that with EventScotland, but the likes of sportscotland will never think that it must make sure that there is fair work, because it thinks, "We're supporting this sport, which is trying to increase its media coverage, but we're not interested in media, so why should we worry about fair work opportunities?" However, public money and support are going into that.

We had an interesting conversation with Richard Walsh—I think that he is one of the civil servants in the Scottish Government's media unit—about local authority event entertainment licences. Events are given a licence by the local authority. We and the other creative industry unions have major concerns about the fact that such licences are just handed out with no regard to the fact that the people who apply for them have a very poor track record in how they treat the workers in the industry. The local authorities have always said that there is nothing that they can do, because it is a tick-box exercise—if the criteria are met, they issue a licence.

Richard Walsh's discussions with various departments in the Scottish Government—and, I understand, the UK Government—have highlighted the fact that local authorities have a great deal of control in setting and establishing the criteria for those licences, so there needs to be further discussion with them about how they do that, so that they can take on board the fair work concerns that have been raised by us, Equity and the Musicians Union.

There was another part to your question.

Neil Bibby: It was about safety skills.

Paul McManus: I have to say that, in general, I think that most productions in Scotland have very good safety policies. A lot of them use highly reputable safety advisers to advise them on their productions. Our concerns about safety go back to the need to change the culture in the industry of working five, six or seven days a week for 10, 12, 14 or more hours a day. A cultural change needs to happen. Everybody needs to be on board with that, including the Government. That needs to be imposed and impressed on the industry.

Right now, if you talk to pretty much any producer or production company, they will say, "That's the way the industry is." If you ask the BBC why people are working 12 hours a day on "River City" when it makes it all year round, the answer will be, "That's just the way the industry is. How can you change that?"

There are one or two green shoots that suggest that attitudes are changing. Some companies out there are trying to change the situation, but the current industry standard is to work long hours and long days. Companies need to be given the freedom and the budgets by commissioners to change that culture and bring workloads down to the normal level that everyone else operates on. Bectu Vision produced the Timewise report, which showed that that could be done without any significant increase in costs for companies. Off the back of that, the BBC is looking at piloting a couple of shows based on shorter working hours.

David Smith: It is worth saying that that was a joint initiative. We fully funded the Timewise work.

Paul McManus: Yes, that is right.

David Smith: We want to see improvements and more flexibility around working time. However, every project and every role that we fund is fair work compliant. Whenever someone comes to us with a project for funding, they must be aware of that and must sign a pro forma that shows that they understand what fair work means in the Scottish context. They all do, because they must if they want to progress into a funded role with us.

Emily Oyama: It also depends on the genre that is involved. Our members are in close negotiations with Bectu and other unions about fair working hours. Drama members, in particular, have set policies in that area. I might get the detail on that and write to the committee about it.

Neil Bibby: Thank you.

George Adam (Paisley) (SNP): Good morning. I am reminded of the time when Tim Davie, then director general of the BBC, sat here and said that he was not gaming the system with "The Traitors". When someone says that they are not gaming the system, I automatically think that they are. Last night, I was thinking about that when I was working out what I would ask the witnesses.

I want to compare BBC Wales to BBC Scotland. I like "Doctor Who", which is a long-term drama that I can hang my hat on, and it has been made in Wales since 2005. What I did not know is that "Casualty" is also produced by BBC Wales, and that "His Dark Materials", which was a co-production with HBO, was produced there. The interesting part for me is that BBC Wales receives 8 to 12 per cent of network drama commissioning spend, whereas BBC Scotland receives 3 to 4 per cent. That works out at about 180 to 220 annual hours of drama for BBC Wales and 60 to 80 hours for BBC Scotland. In Wales, they complain that we are treated a wee bit better, but I do not know, because they seem to be gaming the system quite well. It is the same with factual and documentary programmes. What is going wrong with BBC Scotland and how do we change it?

David Smith: I resist the suggestion that something is going wrong with BBC Scotland. The BBC is made up of multiple organisations that run alongside one another. The BBC as a whole is commissioning more drama from Scotland and in Scotland than it previously did.

Bad Wolf, which is not a Wales-based company, does not produce "Casualty" but it does produce "His Dark Materials" and "Doctor Who". There is lots of production work in Wales, but there is no IP ownership, retention of profits or sales income; those all flow back to Bad Wolf, which is based in London and is part of Sony.

George Adam: Bad Wolf has a major production facility in Wales.

David Smith: It does, but that goes back to a previous point. Those projects will be Wales-qualifying, but they will not necessarily involve delivering more than production work. Production work definitely has a lot of value and is to be encouraged, but it is not the only factor.

There is a really interesting question around charter renewal. Yes, we want a proportionate share of what the BBC spends on content, but

what are we taking a proportionate share of? At the moment, network originations are where the quotas land. Should we think about what the BBC spends on each of those genres across all its outputs? There is a different way to cut things that we have not quite considered yet. Wales definitely does very well with drama, but I do not really recognise what you say about factual output, because I think that Scotland outperforms Wales when it comes to factual production. The difference is that Wales has S4C.

George Adam: But the difference is marginal. The figure for BBC network factual output is 5 to 6 per cent for Wales and 3 to 4 per cent for BBC Scotland.

David Smith: Speaking to Welsh colleagues, though, I sense a general, pervasive and continuing concern that those projects are not necessarily commissioned from Welsh companies. The companies involved tend to be formed, headquartered and managed in London, and then deliver Welsh qualification.

It is the same issue across the board. We co-ordinate and work with Creative Wales, we work closely with Northern Ireland Screen and we come together to try to drive change that will deliver better outcomes. However, we are also all in competition—that is undeniable. If Wales is doing really well in returning and high-end drama, that is definitely something that we need to compete with. It is all about our offer—that is, the incentives that we offer and the relationships that we have with the broadcasters, the platforms and those production companies.

George Adam: But how do we get to that? After all, moving from 60 to 80 hours to 180 to 220 hours is quite a big change and quite a big difference on the drama side of things.

David Smith: I think that that is being driven by one or two productions and if those productions go into abeyance—obviously, "Doctor Who" is not working at the moment—that will change.

George Adam: Okay. Your reference to "Doctor Who" actually presents the perfect scenario. I know that the co-production with Disney did not quite work out in the end, but we heard evidence last week that the way forward for drama in Scotland is co-production. When we asked, "So, why aren't we doing it?", the answer was that that was a question for people like you and, indeed, the BBC itself. So, why are we not doing more of that?

David Smith: I am not sure that we are not doing it—

George Adam: I am not saying that you are not doing it—I am asking why we are not doing more of it. We were told that we should be doing a lot more of it.

David Smith: It is impossible to fund a film with one source these days. If you are making an independent film, you have to finance it in lots of different territories and with lots of different partners and TV is going the same way. The BBC was, once upon a time, the commissioner of a drama and would almost fully fund it. That just does not happen any more, because it does not have the funding for that.

The market has moved on, too. If you look at all the productions that are under way in Scotland—with the exception of some of the bigger ones that are commissioned directly by, say, Netflix or Sony—you will see that, if they are targeting a public service broadcaster, they will all be co-productions to some extent. The BBC has replaced “River City” with “Counsels” as the first drama out of the gates—there are two other projects that have yet to start production—and, as far as I am aware, “Counsels” is a co-production involving multiple parties.

You will have taken evidence from Scotland-based production companies. For example, Synchronicity Films, which I am pretty sure was in recently, made “The Tattooist of Auschwitz”, and it was a co-production with different territories. Co-production is increasingly the norm in drama production. It is less prevalent in factual output, but again, that is the way that the world is going to go. You cannot finance these sorts of things in one territory any more.

George Adam: On the factual side, how do you compete with YouTube and the like? For a start, it is not regulated and there are also the audiences that it gets. I will give you an example. A social influencer in Scotland was invited to the first day that a certain fast-food outlet opened in Paisley, and he got figures on YouTube that would make “The Seven” on BBC Scotland blush. How do you compete with that? How do you get to that stage?

I will give you another example. One of the guys who work for me in my office is a 30-something, he has two kids and he does not watch STV News. I was talking about STV News the other day and he said that he did not watch it. However, if you mention something that was on YouTube—some documentary, say, which, of course, has not been really fact checked or anything—he will give you all the detail about it. How do we compete with that? How do we make the legacy TV and broadcasters relevant?

David Smith: We do that by making compelling content, delivering it where the audience is and ensuring that it is prominent. I know that the Media Act 2024 has gone through the United Kingdom Parliament, although what it will mean for the prominence of public service content is still unclear to me. However, we just need to make good

content that people want to watch, make it available to them where they want to watch it and make it available in a way that they can see it. It is all about the algorithm driving that content and the choices that viewers see.

George Adam: Where are our broadcasters in Scotland in that respect? I know that BBC Scotland has dipped its toe into this and has tried to direct people from that content to the TV side of things, and that other broadcasters are doing the same thing. How are we getting on there?

David Smith: Let us say that the broadcasters are on a journey. Obviously, they are bound by the fact that their numbers are measured across their broadcast platforms, not their YouTube platforms. I cannot really speak for the BBC, but we as an agency are focused on film and television broadcast production and we recognise that the sector, the industry and, indeed, the audience are migrating to online platforms. We do not have funding that is targeted towards those platforms at the moment, but we recognise that we have to develop interventions that deliver better content.

10:15

So far, we have delivered one pilot project, working with Cycling Scotland, which is on the development of mountain biking in Scotland and is called “Fresh Cuts”. It looks at Scotland’s rural, sports and visitor economies. Mountain biking is pretty big on YouTube, and our thinking was that maybe we could work with outdoor-sports agencies to improve the quality of the programmes and films that are made by Scotland-based, outdoor-sports content creators. Seven filmmakers went through the first iteration last year—it was a two-part pilot—and the second six will start their course on Monday next week; I am meeting them on Friday for an introduction session. That project is how we are dipping our toe into upskilling and improving the quality of the outputs in the online delivery space. That is undeniably where the future lies.

George Adam: Screen Scotland has been very successful in getting major productions to come to Scotland. It is always nice to see “filmed in Scotland” or the Screen Scotland logo at the end of the credits. However, how do we get to where Canada is, for example, as a major player? When you look at the screen at the end of some movies, you can see that, at one point in the 1990s, Hollywood had effectively moved to Canada, because there were incentives to produce there. Another logo that always comes up at the end of TV and film productions is the state of Georgia, for some reason. Can you explain why those places are major players? How we can get ourselves into that position?

David Smith: Those Governments and regions decided that that was an important area for them and they invested in it, as the Scottish Government has done through Screen Scotland over the past five years or so. We were formed in 2018 and we have seen consistent growth in the number of films that are made in Scotland and the number of films and programmes from Scotland since that time, as a direct consequence of that investment.

On top of that, the UK's tax regime for production is really attractive. The fact that it is uniform across the UK is very valuable, because it means that there is no confusion for the average decision maker for Warner Brothers in Burbank who might be wondering whether Scotland is or is not part of the UK and how that works. The universality of that tax regime and its competitive ability in international markets is really important. However, there is constant competition. Ireland has just improved its tax regime for production across factual programmes, both scripted and unscripted. We do not really have incentives that target unscripted production, so that is a proper risk for us.

The Convener: I will ask a final, quick question and I am hoping that there is a really short answer. If there is not, I wonder whether you would consider writing back to the committee with a fuller answer.

Obviously, our committee also covers constitutional matters. You mentioned the CMS Committee at Westminster and the fact that there is no Scottish representation on it, and Wales and Northern Ireland were mentioned as well. Is there a significant difference in the way that Scotland, Wales and Northern Ireland are treated as territories, compared with the way that regions are dealt with when it comes to the London governance of this whole area of the BBC?

David Smith: I cannot speak with any expertise about how the English regions are treated, but I know that colleagues in Yorkshire and various other English regions would say that they are almost at a disadvantage in comparison with the nations of the UK, on the basis that we have dedicated BBC channels. Channel 4 has offices located in Scotland and we have a dedicated Channel 3 licensee, and there are national screening agencies in each of Wales, Northern Ireland and Scotland. I think that probably the one area in which the BBC is very focused at the moment is how it does more outside of London but within England. "MasterChef" was recently moved to Birmingham. It is not an even picture across the UK, but it is also not an even picture between broadcasters.

The Convener: Does anyone else have a final thought?

Paul McManus: I think that it is horses for courses in respect of how the BBC treats people. Scotland has always had quite a strong presence within the BBC decision-making process. The English regions have different challenges, as David Smith said, and different support.

With regard to commissioning, one move that is key going forward is that the BBC's head of commissioning for the nations is now working with each of the genre commissioners, which it never did before. That means that, across the UK, there should be much better support for unscripted work and a much more even spread of where that work goes.

Is a production being commissioned by BBC Scotland also a Scotland-based production, or is it a network production that will not be sold as a Scotland-based production, even though we would want it to be made in Scotland? At the end of the day, our members do not care who gets the profits from a production; they just want to know that the jobs are in Scotland. A lot of the profits just end up going back to multinational companies, regardless of who the employer is.

The Convener: Do you have anything to add, Emily?

Emily Oyama: I agree with David Smith about the lack of representation in the English regions and I think that they look at and envy some of the advocacy that Screen Scotland represents.

The Convener: Okay. I will say a quick thank you for your attendance and suspend the meeting for five minutes.

10:20

Meeting suspended.

10:26

On resuming—

STV News and Scottish Broadcasting

The Convener: A warm welcome back. For our second panel, we are joined in the room by representatives of Ofcom. Cristina Nicolotti Squires is group director of the broadcasting and media group, Glenn Preston is director for Scotland, and Stefan Webster is the regulatory affairs manager. A warm welcome to you all. I invite Cristina to make a short opening statement.

Cristina Nicolotti Squires (Ofcom): Thank you for inviting me back; I was here in May last year. We are of course happy to answer questions on anything by way of taking part in your inquiry, but I want to acknowledge our open consultation on the proposed changes to STV's news output, which I know is of great interest to the committee and to people across Scotland.

I am perhaps a bit biased as, after 35 years in broadcast and digital journalism, I believe that the provision of duly impartial and accurate news that reflects the worlds of everybody is probably the most important part of public service media. As we said in our recent PSM review, the public service broadcasters

"remain the most trusted sources of news"

among audiences. Regional news plays a particularly important part in keeping audiences informed about life in their areas.

As you will be aware, in December last year we consulted on proposed changes to STV's regional news production. We believe that audiences in Scotland will continue to receive high-quality regional news, with a distinct regional character, while the changes will allow STV to move towards what we call a content-led newsroom, rather than one that is built around the supremacy of the 6 o'clock news. That is similar to what all newsrooms are undergoing—they are becoming digital first or platform neutral, rather than focusing their needs around one particular piece of output.

STV came to us in the autumn of 2025 with a set of proposals that we did not feel went far enough to preserve the distinctiveness of regional news for audiences in the north of Scotland. We had a pretty robust back-and-forth that resulted in the revised proposal, which we think puts STV's news on a sustainable footing while ensuring that the audience has access to trusted regional news on television as well as online—which is where people are increasingly getting it. That is a compromise, which was reached because we have to be realistic about the pressures that STV is under.

We need to be realistic in recognising that STV is not alone in having to make difficult decisions about how to remain sustainable and thrive, rather than just survive. As you know, ITV is in talks with Sky over a potential sale, and we are likely to see more of that kind of consolidation in the future. Even the biggest global players are having to adapt. Just last week I had the general counsel of Paramount Skydance explain to me why that organisation thought that it ought to buy Warner Bros.

10:30

Coming back to our role here, our job is to deliver on the objective of public service broadcasting, so that people can continue to enjoy high-quality programmes that are of interest across the UK. We strongly believe, as we set out in the report "Transmission Critical—the Future of Public Service Media", that our regulation should not stifle innovation or prevent broadcasters from adapting; rather, regulation should support them so that they can continue to serve audiences in this increasingly challenging and constantly evolving environment. I was very taken by Mr Adam's comment that someone who works in his office does not watch STV news and gets everything from YouTube. That is a real example of how audiences' behaviour is changing.

Our consultation is open until 9 February. Once we have examined the range of views that have come in, we are hoping to publish a statement this side of Easter—we want to make it timely.

Our response will be based on evidence. It is really important to look at how audiences are behaving. Eighty-eight per cent of Scottish people tell us that they prefer to get their local news and information from online services such as websites and apps. The average weekly reach of "STV News at Six" fell to 18 per cent in 2022 and was just 14 per cent last year.

Like ITV, STV faces challenges to its financial sustainability. Our regulation needs to enable them to adapt to the modern model of consumption and provide flexibility to all PSB broadcasters in Scotland to meet those challenges, while supporting the provision of trusted news content to audiences where and when they want to receive it. That is crucial, because audiences are migrating and their behaviour is changing.

My colleagues and I are happy to answer questions on that issue and on any of Ofcom's wider work.

The Convener: Thank you for that introduction. In your letter of 16 December, you stated that you are

"proposing to approve STV's request."

Does that mean that the decision has already been made and that the consultation is no longer—

Cristina Nicolotti Squires: The consultation is open until 9 February. We have not alighted on a firm decision. As I said, we will examine the full range of views that are given in response to the consultation, and we aim to put out a statement before Easter. Our minds are not made up.

The Convener: In terms of our broadcasting inquiry, what are the main challenges facing the broadcasting sector in Scotland? What aspects of its work in Scotland could the BBC improve on with the charter renewal process that is in progress?

Cristina Nicolotti Squires: I will say a little bit on that then hand over to my colleagues. We would probably agree with the other witnesses who have been before the committee. However, the most important thing—I have not heard this said an awful lot—is the changing behaviour of audiences. When regulating, we cannot pretend that audiences are still consuming content in the same way as they were 20 years ago. That is the biggest challenge.

As far as I can tell, audiences have never had it so good. There is a huge range of content to watch on many different platforms at the time that they want and in the manner that they want, whether that is on their iPad in a hotel room or on the TV in their sitting room.

However, that gives the broadcasting industry challenges, particularly in the PSB sector and in the commercial PSB sector, whose financial model is based on advertising. As the audience fragments, that creates a real challenge.

The biggest challenge to the broadcasting industry in Scotland is to ensure that great content is still being made that represents people across this nation and is available on a platform that people are accessing and using.

Glenn Preston (Ofcom): I will add a few thoughts. The sector in Scotland has really positive elements to it. We have seen growth in successive years dating back to 2010. At that time, spend on external productions was around £119 million. In 2022, which is the most recent year that we have figures for, spend was up to £225 million. That was a substantial change in that 12-year period.

We have local and global companies that see Scotland as a place where they can make high-quality programmes across the range of genres that the committee discussed in today's earlier evidence session.

David Smith from Screen Scotland made a very good point about the well-developed infrastructure that is in place. The Scottish and UK Governments are both committing spend on the development of

studio spaces. We have a skilled workforce, which might be an issue that you want to return to.

We also know that the situation has been quite challenging, certainly for the past three or four years, for a range of reasons. There are inflationary pressures and there has been a significant slowdown in production, not just in Scotland or the UK but globally. There are still wins to celebrate in that context. The mixed production ecology that I mentioned is seeing drama and daytime TV being made here; there are returning series and other popular formats coming from our public service broadcasters and the major streamers.

We heard from stakeholders in the past couple of years that not enough original drama was being made in Scotland—the committee talked about that in the first evidence session this morning. That situation is changing: in the past year or so, a number of limited-run series have been commissioned and broadcast, such as “Coldwater”, “Summerwater” and “Half Man”. There has been reference to “Counsels”, which is a returning—I hope—series that is being filmed on the shores of Loch Lomond; some of our colleagues have visited that in the past few weeks. There are also hugely popular returning series such as “Shetland”, which is now on series 10. We were particularly pleased to hear that Netflix’s “Dept Q”—it had just launched in May last year, which is when we were previously in front of the committee—was renewed and that we can expect a season 2 in the next 12 months or so.

News plurality remains quite strong. Audiences are well served with content at a network level, from public service broadcasters and the likes of Sky News, alongside regional news provision from BBC Scotland and STV, which Cristina Nicolotti Squires touched on. ITV Border is also very active in that space. We recognise the need for that provision to change as audience habits around news evolve, and we recognise the growing importance of having that trusted and accurate news content in digital spaces.

I will end on radio, which was not touched on with the first panel. It remains really popular in Scotland—each week, 87 per cent of adults tune into live radio. Commercial radio is doing particularly well; it reaches more than half of people in any given week. You may want to ask us about or refer to the launch of STV Radio, which is a nationwide digital offering that is part of the transformation that STV is committed to. We have seen plans from Bauer Media, for example, to move to and invest in a new studio for Clyde 1 in Glasgow city centre. That is a really positive picture.

I will stop there, convener.

The Convener: I will move to questions from the committee.

George Adam: Good morning, everyone. I continue on the subject of changing audiences. Although audiences and the ways in which they access news are changing—the audience for STV is a classic example—when STV journalists come to this committee, they say that they do things for STV news but that they also direct people to STV news by using short-form media in places such as TikTok. We heard earlier that the legacy broadcasters are trying to use that as a way to get people to look at that content. I am interested in that.

I am concerned that there has been a long-term reduction in locally produced hours on commercial radio in Scotland and, now, there is the potential approval for changes to STV North's "STV News at Six". I am looking for assurances from Ofcom about how you are acting effectively as a regulator in Scotland, rather than simply ratifying the decisions of broadcasters.

Cristina Nicolotti Squires: We are not ratifying the decisions of broadcasters. As I said, we did not accept STV's original proposal and we had robust conversations with them—

George Adam: The mix that you have got could be taken up by weather and a bit of sport from Aberdeen.

Cristina Nicolotti Squires: As I said, that is still open to consultation. We will hold STV to account on whatever we end up approving.

I went to Aberdeen just before Christmas and met all the people in the newsroom. I have worked in the same situation as they have; I know how much regional news is loved by communities and by the people who make it. It was interesting to me that the people in that room—there must have been about 30 staff—were keen to ensure that they were not delivering for only a decreasing, linear audience. They all wanted to make sure that their stories—the stories from their area—were given more prominence in STV's overall news and digital output.

At the moment, the delivery of every story, whether it is on TikTok or Instagram, involves it having to go through a bottleneck in Glasgow. STV is committed to making sure that that is removed, so that the journalists keep gathering their news across the northern belt.

Rather than spending the whole day thinking about the story that they are doing for the 6 o'clock news, they are actually doing a story that may well appear on the six but will also appear in places with far bigger audiences, such as TikTok, Instagram or Facebook. We do an annual report on the BBC's performance and have made it clear

that it must put the news where people are watching it.

I joined Ofcom two years ago after five or six years at Sky, where we did exactly that pivot. There were concerns about that because of the old idea that people would come only to a company's own platform to consume its news. That does not work now: organisations have to put their product on TikTok, Facebook, Instagram or wherever everyone is, although with attribution to their own brand, because the legacies of those brands are really important.

George Adam: I will bring you back to what we are talking about here today. You said in your opening statement that you deliver on public sector broadcasting, which is really important to you, but that you should not stop broadcasters adapting.

I am getting to the stage where I do not blame broadcasters for asking, because they seem to get everything that they ask Ofcom for. What practical purpose does Ofcom actually serve for the audience as a regulatory presence in Scotland? The audience is the most important thing, but a whole part of the north-east of Scotland literally will not be getting STV news that is tailored to the audience there.

Cristina Nicolotti Squires: The audience will not get as many minutes of a linear programme at 6 o'clock tailored to them, but the number of people consuming that content has been going down and down.

George Adam: That is the key show in the STV line-up.

Cristina Nicolotti Squires: It is the key show in STV's linear line-up, but the audience will be getting more news in the places where it is consuming news. That is the difference.

George Adam: We seem to be getting to a point where, whatever local broadcasters or others ask for, Ofcom tends to allow them to do that. In radio, we know that Clyde 1 is a screaming success, but there was a Clyde 2 and a Forth 2, and they no longer exist. Capital Scotland started running network content that came from down south and that station lost its audience, so they brought everybody back up and they now have Heart Scotland and Capital up here in Scotland. That is one of the few times that things have gone the other way; most of the time, the network goes down south.

Cristina Nicolotti Squires: I will let my colleague Stefan Webster answer specifically on the radio matters. However, the idea that Ofcom just waves everything through is simply not a fact. For example, the BBC recently asked for five variations to its licence and we said no to two of

those. We do not always just wave things through; we do push back.

Particularly in the case of STV, we said that we would not approve what the company was asking for unless it adapted the idea. The original proposal was far from what is being proposed now.

I ask Stefan Webster to pick up on the radio thing.

Stefan Webster (Ofcom): Radio is a slightly different matter. We have been in front of the committee before and explained that deregulation was a legislative intervention from the UK Parliament that allowed for things such as formats, or the number of hours of content being made in particular local areas, to fall away. Those were UK Parliament decisions that we then had to follow through.

The Capital example is a really good one. The way in which things are going means that any decisions made by broadcasters, about either TV or radio, must be audience led. When it came to Capital and Heart, Global realised that it had made a wrong decision in vacating the space in Scotland and putting out network content that did not work for its audience, so it brought the Scottish content back. That is how it should work.

STV has seen an opportunity to do something similar by having a radio station that is for Scotland and broadcasts across the nation. That launched last week and we wish it well, but it must be audience led. If there is a market for programmes that are locally based here in Scotland, that is great and we will support it. Regulation must allow the audience to take the lead on where services come from.

George Adam: Part of the problem with the situation that we are in now is that the timing is absolutely lousy. There are regulated hours that have to be given. The news content covered by the licence for STV North, which was previously Grampian Television, is in effect being cut, and STV Radio is now being launched. The unions, and others, have argued that journalists' jobs are being taken away to pay for an STV radio station.

Stefan Webster: There are a couple of things to comment on. It is not for the regulator to tell any public service broadcaster how to spend its money; that is a matter for the STV board and leadership to decide.

George Adam: But the STV North licence is your responsibility.

10:45

Stefan Webster: Of course, and that is why we are consulting on changes that we think are right for audiences. There is a narrative that journalist

jobs are being lost at the expense of a radio station. That is not quite true. If you look at our consultation, STV has set out that it is trying to make quite difficult efficiencies across the organisation—of about £8 million over the next few years. News is a small part of that, but STV is also making savings across studios, central functions and other parts of audiences.

That illustrates the bigger challenge that all media companies are facing as they have to adapt and find audiences. That is particularly the case for commercial public service broadcasters, which have to try to find business opportunities that they can generate revenue from and grow from. Those opportunities will help them as a business first and foremost, but they will also help to cross-subsidise the more expensive obligations that are really important, such as trusted and accurate local news. We think that STV is getting there with the proposals that we are consulting on.

George Adam: Do you believe that we are losing local news for STV North, even with your revised situation? As I said, the few extra minutes that you have got could be taken up with the weather in Aberdeen and who Aberdeen FC has signed that day. If the proposal goes through, there will in effect be a loss of local news.

Cristina Nicolotti Squires: There is perhaps a loss of local news on a linear television programme that fewer and fewer people are watching; there will be more news on the platforms that people are using to consume news. That is what the outcome should be.

If the proposal goes ahead, we will be monitoring STV to ensure that the programme that comes out of Glasgow contains a good range of material that is of interest to people throughout Scotland, and we will be holding STV to account on that. Yes, there may be less specific news for people in a programme on STV North that fewer and fewer people are watching every year, but there will be more news on the platforms that people are increasingly turning to.

George Adam: Finally, it is only about a year ago that STV applied for the licence. Is it a concern that, a year later, that has all changed? Your role in this, as a regulator, is for the audiences, and at the same time to ensure that you do not put companies into a position in which they are unprofitable or could go under. There have been issues for STV, but it is nowhere near going under.

Cristina Nicolotti Squires: I really hope that it is not—it does not seem to be in that position at the moment. However, sustainability, and the ability to continue to make and broadcast news, is really important. Our decisions have to be based

on the needs of the audience, which I have already demonstrated. Audiences are not watching news on linear television; they are consuming it on digital. That is a really key thing, but so is sustainability. ITV, which is a much bigger organisation, feels that it cannot carry on making its news without the help of Sky. That deal has not gone through yet, and let us see what happens if it does. Like all broadcasters, STV is facing really big challenges. Our regulation needs to enable STV to flex itself. If it thinks that a radio station that carries news is a good idea and gives it more financial opportunities—the radio sector is doing better than the linear sector—we have to enable it to do that.

It is a balancing act. I would love it we were be able to say, “You can do everything. You’ve got the money—you can do all these different things”, but in the UK and across the world, public service broadcasting is really under threat.

George Adam: Just for the record, I am a big fan of STV Radio, because I seem to be in the key demographic that it is looking for.

Glenn Preston: I, too, am a fan of STV Radio, and am in the demographic that it is aiming for.

The question about licence renewal, and changes quickly thereafter, is understandable. It is worth saying that there is a kind of quirk to the process for that. Quite a lot of the negotiations on the relicensing position started back in 2021 and were largely concluded in 2023—that is already two to three years ago. The way in which the statute is set out does not allow us to revisit the terms of the licence at the time. It can be renewed only on the previous basis, once we have done what is called the sustainability test. However, that is already a number of years old. That is the reason that we are now in this position. We had renewed the licence on the same terms as previously, but over the past two or three years, as the circumstances have changed for STV, it has come to us to request the revision.

Cristina Nicolotti Squires: And also because of the big fall in audience over that two-year period.

The Convener: I have a quick question on the demographic issue. Yes, audiences are changing and there is a different view of the licence fee for the BBC and so on. However, is there a responsibility on Ofcom to ensure that everyone has access to BBC, STV and Channel 4? For example, the older demographic, and people who are digitally excluded, should still have an opportunity to access those news programmes.

We can look at what happened in the north-east in the past week: above Aberdeen, the weather situation was completely different from that in the rest of the country. Is localised news broadcasting for Aberdeen not, therefore, absolutely vital?

Cristina Nicolotti Squires: I would expect that, in the circumstances that we saw a couple of weeks ago with the weather, the majority, or a lot, of the programme out of Glasgow would focus on the situation in the north-east because it is a good story—it is a big national story rather than being specific to the north-east.

Digital exclusion is a really important issue, but it exists not only in television; people cannot make a doctor’s appointment these days without having to use an app. I am very mindful that older audiences want to watch those linear programmes—they are the audience. However, we must not stereotype people above a certain age; I am 60, so I am hardly a spring chicken. Our own research shows that the biggest growth in the numbers of those who are turning to YouTube on the TV set in their living room is among people who are older than 50. It is important to make sure that older people are getting the news where they get it, but what I have described is increasingly the case.

As I said, we are minded that the proposal that we have had so far, subject to what other people put into the consultation, does achieve that balance.

The Convener: Okay. I think that the north-east members who have given evidence to the committee might have a different view, given the correspondence that they have had from their constituents, but that is already on the record, so I will move on to Mr Bibby.

Neil Bibby: Good morning to the witnesses. I agree with what you said earlier about local news being the most trusted news, and the fact that it has never been more important, in particular in a time of misinformation online. It is also important to our democracy; we have a Scottish Parliament election coming up shortly, and local news is really important in that respect.

You just mentioned, in response to the convener’s example, that you anticipated that stories affecting the north-east would still be on the national news programme. One of the issues that has been raised is that, while there are clearly major concerns about the impact that any proposals on access to STV North would have on the north of Scotland, if there was a move to a national programme out of Glasgow, there would be a dilution of news for other areas of Scotland. There would be an impact on Glasgow and the west and Edinburgh and the east. To what extent have you considered those issues alongside the axing of STV North?

Glenn Preston: Stefan Webster might want to come in with some of the detail on that. The short answer to the question is that we have considered that. You have to bear in mind that there is a series

of requests from STV that relate to both licences. There are provisions for opt outs, for example, for the central licence, which—as you rightly point out, Mr Bibby—previously required the service to do stuff for Glasgow and the west and Edinburgh and the east, that STV has also asked to remove from its licence obligations.

There are two or three elements to the proposal; it is about not just the minutage that relates to the STV North licence element, but how the licence functions in the central belt, too.

Stefan Webster: The crucial part, which is really important—more so than where the programme comes from—is where the news-gathering resources are. STV has been quite clear—this ties into the question of how it can demonstrate that those programmes are made in both areas, which will be a licence condition for it going forward—that it has significant news-gathering resource across both central and north Scotland.

News can work pre-recorded from a studio as long as the stories are being gathered in the areas that are being served; that is the important part. That has perhaps been a bit lost in the discussion, but it is as true for central Scotland as it is for the north of Scotland. There will undoubtedly be a change in how the news programme looks and feels to audiences, but, in our view, that is necessary in order for STV to modernise its news-gathering approach and continue to move to serving audiences where they are, increasingly, getting their news from.

Neil Bibby: On the process, you said that you are not waving things through, but you also talked about the need to compromise. Why compromise when STV is a profitable business? It is investing in entertainment and drama and, as we have just heard, in a new radio station. Why is there a need to compromise on the issue?

Cristina Nicolotti Squires: The cuts that STV is proposing are not at all confined to news. Stefan Webster probably knows the figures better than I do, but it has been making significant cuts right across all its different genres and outputs.

Stefan Webster: Yes, that is right. As I mentioned earlier, STV said in our consultation that it is looking to make £8 million of savings in the next couple of years. News is a proportion of that but it is certainly a minority proportion. We are not in a position to second guess STV's leadership over its financial position. Obviously, we have looked at the numbers and we recognise the challenges that it faces.

Neil Bibby: You say that it is not your job to second guess. However, STV is a profitable organisation. It makes a profit. That is not second guessing but fact.

Cristina Nicolotti Squires: Currently, yes.

Stefan Webster: That is right. However, the level of profit went down significantly in the last reporting year, so this is a reaction. I think that the operating profit level was in our consultation.

The point is that we recognise the reasoning that STV has come to us with—that news needs support from other profitable parts of the organisation. That is all laid out in the consultation. Those are areas in which we are interested and on which, as part of that consultation, we are keen to hear from people about where they think that we might have erred.

Cristina Nicolotti Squires: I think that the figures were in our submission. STV's linear revenue was £99 million in 2021, dropping 15 per cent to £84 million in 2024. Its digital revenues were largely unchanged at around £20 million. Its regional news costs have increased by seven per cent between 2021 and 2024 and are forecast to increase by another seven per cent between 2024 and 2027.

Stephen Kerr: Can I ask—

The Convener: I will come to you next, Mr Kerr.

Stephen Kerr: It is about the numbers.

Neil Bibby: I am happy.

Stephen Kerr: Are those numbers for STV Group?

Stefan Webster: I suspect that they will be.

Stephen Kerr: Okay.

The Convener: Mr Bibby, do you want to come back in?

Neil Bibby: The fact is that STV is still a profitable organisation. We have an Ofcom regime and regulation and potential amendments to the licence that has been granted in order to prevent any significant failure in public service broadcasting, not to allow profitable organisations to make cuts to potentially boost their share price. When it comes to the making of savings and the need to compromise, will Ofcom require STV to ring fence those savings to reinvest in Scottish journalism, or is there a risk that they could be used to bolster shareholder dividends or executive bonuses?

Stefan Webster: A financially sustainable STV is good for Scotland more widely. What you have described is not the model of regulation that we have and I do not think that there is any model under which we could allow STV to do that. Significantly, we can ensure that it maintains significant news-gathering resources across both its licensed areas. That is part of its licence and we will continue to look at that.

Neil Bibby: When we had STV news here, I found it hard to understand the claim that a significant reduction in the number of journalists who work in the organisation, and a dilution of regional news, would result in more content. That has now been repeated: Ofcom believes that there will be fewer journalists but more content. I could not understand that statement when STV news made it and, given that Ofcom appears to agree with it, I am interested to know how having fewer journalists results in more content.

Cristina Nicolotti Squires: From a production point of view, if we are making a television package to go out on a linear programme, we have to involve a reporter and a camera person, although they can often do the same thing, and then somebody has to edit it although, again, the same person can do that and quite often does. There also has to be the technical infrastructure for the linear feed. Somebody who is uploading a story on TikTok can do all that themselves more efficiently. Delivery of digital news requires fewer people—I think that that does stand.

Stefan Webster can remind me how many journalists there are now from the north-east.

11:00

Stefan Webster: There are six staff, and maybe three journalists.

Cristina Nicolotti Squires: Yes. There are six staff in total and three journalists from the north-east. Any journalist's job is important, but that is not a huge number. More content can be delivered with fewer people if more of it is done on digital.

Neil Bibby: I am interested to hear your analysis of what would happen if more journalists were cut. At what point would that mean that less news would be produced? Has there been any investigation of that?

Glenn Preston: The important point is that STV will still have licence obligations for delivery placed on it and it will have to report against them. We will have to make an assessment of those things and hold STV to account publicly for that type of change. For example, STV is under an obligation to produce something that is called a statement of programme policy, which might include the type of information that will allow us to interrogate it or to use our information-gathering powers to ask for it once we make a decision about what the licence should say and look like.

Stephen Kerr: I go back to the published results, which show that STV—I am talking about the listed company—had revenues of £188 million in 2024 as reported in early 2025. After tax, profits were £13.1 million, which is up from £5.3 million in the previous year. Those are the published figures.

I do not know where the other figures have come from or what part of STV has been separated out and chosen for reporting. I would have thought that the STV listed company owned those two licences, no?

Stefan Webster: Yes.

Stephen Kerr: Yes, so I do not understand why we have two sets of numbers.

Stefan Webster: I think that it is a question of the margin. I am sorry; I do not have the details in front of me but I can come back on that.

Stephen Kerr: Cristina Nicolotti Squires said that STV is under all sorts of pressure at the moment. I do not know what the 2025 numbers will look like. STV might have given you advance sight of some provisional numbers but I do not know that. It also has 2026 ahead of it and that should be a good year for commercial broadcasters in this country because of the world cup and because people enjoy watching sport on live TV above everything else. On the back of Cristina's point that ITV cannot now do the news without Sky, are we just saying that STV is too small to survive?

Cristina Nicolotti Squires: That is not the point that I was trying to make. I was saying that public service broadcasting is struggling with financial sustainability right across the board from BBC to Channel 4, ITV and STV. I want to make sure that STV not only survives but that it thrives and continues to deliver the news, but to the places where people are consuming it, that it is not tied to a legacy model of doing everything for a programme that fewer people are watching and that it has the ability to take its production and strategy to a more digital world.

Stephen Kerr: Because of the changes in executive leadership at STV in the past months, and the fact that we know that talks are being held between STV and ITV—that is what we were told at last week's meeting, if I remember correctly.

George Adam: It was ITV and Sky.

Stephen Kerr: I beg your pardon. You will understand that there is a concern in Scotland that STV will be absorbed into ITV and then into the bigger global corporation that is known in this country as Sky. Do I understand it correctly that Ofcom would not take a view on which parent company owns the licences?

Cristina Nicolotti Squires: We take a view on the ownership of the licences. At the moment, no one has put anything on the table to suggest that the ownership of licences should be changed.

ITV and Sky have confirmed that they are in talks, but no proposal has been made. If a proposal is made, Ofcom will play a role. If the Secretary of State for Culture, Media and Sport

decides that there should be a public interest test, various procedures will take place.

The people who own the licences are very important to us. If someone comes along and says that STV wants to sell to whoever, then of course we will take a view on it, but I am not going to speculate on something that has not actually happened.

Stephen Kerr: But can you understand our concerns?

Cristina Nicolotti Squires: I totally understand your concerns, yes.

Stephen Kerr: We are talking about two licences. Effectively, you have changed the conditions for both of them, but I am particularly interested in STV North. Just to give us some idea of precedent, have you ever told a licence holder that it can stop broadcasting local news as it is going to be absorbed into a neighbouring licence's news programme, and its news programme is also going to be diluted?

Cristina Nicolotti Squires: Not during the time that I have been here, but I am trying to remember when I was in ITV. The situation in ITV at that time was that there were many regional hubs for the production of news. When I started at ITV, which was a very long time ago, the central licence had Nottingham, Birmingham and one other place, I think.

Stephen Kerr: But have you done that on licence areas?

Cristina Nicolotti Squires: No, this is probably the first licence variation of this type. Glenn, am I correct? I am also mindful that others might want to do something similar down the line—I do not know.

Glenn Preston: There are a couple of points to make. One is that we get requests from licence holders for variation all the time from across the licensing regime. That includes television broadcasting and radio as well. They come to us all the time for all sorts of different reasons. They might change a format request for the type of music they have on a radio station, for example.

Stephen Kerr: Yes, but that is slightly different.

Glenn Preston: I understand, but I am saying that it is not uncommon for somebody that owns a licence to come to us about variation. I understand this is more fundamental than that, but that type of thing does happen regularly.

There is another point that is worth making here as well, specifically in relation to the two STV-owned licences—the central licence and the north licence. There is nothing that would prevent any licence holder, whether it is STV or anybody else

who happens to own the central and north licences, from coming to us and saying that they do not think that the licences are sustainable anymore and handing them back to us.

That is one of the factors that we would have to weigh up when thinking about the future sustainability questions that we have been talking about as well. So, whether it is STV or another commercial company, it is feasible that a company could say to us that it does not think that the licence is sustainable anymore.

Stephen Kerr: So, did STV say that?

Glenn Preston: No, it has not said that at all, but those elements that are in our mind when we have to make an assessment about sustainability.

Stephen Kerr: But what I am hearing is that, at least in your knowledge, there is no precedent for what you have done with STV North.

Stefan Webster: There are a couple of aspects to that. So there is no licence requirement for where the studio and presentation comes from. You heard that from STV as well. So there are examples from elsewhere in the UK where the studio presentation for one licence is done in another licenced area.

Stephen Kerr: But it is not diluted?

Stefan Webster: No, perhaps not.

Stephen Kerr: So, the dilution of local news content—

Cristina Nicolotti Squires: I am sorry to cut you off, but the dilution of specific content from the northern belt on one programme has been diluted.

Stephen Kerr: It is a very important programme, though. In Scotland, the news—

Cristina Nicolotti Squires: It is a very important programme, which decreasing numbers of people are watching. Also, people are telling us that they want to get their local news from digital sources. So I would not characterise it as a dilution on the whole. Instead, it is a dilution of a specific programme.

Stephen Kerr: I understand the point that you are making, but I am trying to make the point to you that you have effectively merged those two licences, so there are not two licences now. You have de facto decided that STV North and—

Cristina Nicolotti Squires: We have not made a decision yet.

Stephen Kerr: I think that you have.

Cristina Nicolotti Squires: Well, I am very happy to say that I have not made a decision.

Stephen Kerr: You have signalled that you are favourably disposed to the proposition.

Cristina Nicolotti Squires: That is subject to what people say in the consultation.

Stefan Webster: That was the one area in which we pushed back on STV. The need for a balanced level of regional distinction between the two licence areas was not in the original proposal, but it was in the second proposal, which was important to us.

Stephen Kerr: Do you understand why I might conclude that you, in effect, merged the two licence areas when it comes to local news content? You have basically said that STV does not have to have local news content and it will all be done out of Glasgow.

Glenn Preston: That is not what we have said. We still have to get the consultation responses in as part of the process, and we will have to make a decision based on the evidence that has been put out in our consultation and that has been presented to us. At the end of the process, if we were to go with the proposal that is up for consultation at the moment, there will still be two licences, and distinct content will still be prepared. I understand your point that, with less minutage—

Stephen Kerr: It is not the same programme.

Glenn Preston: No, I understand that.

Stephen Kerr: It is not the same though, is it?

Glenn Preston: No, but, as we have said, it is our expectation that there will still be a news-gathering resource in each of the licence areas, and STV has already committed to continuing to have journalists on the ground in Inverness, Aberdeen and Dundee, for example.

Stephen Kerr: Fewer in Aberdeen.

Glenn Preston: Absolutely, and that is STV's choice. There will be two licences with distinction in them, and what we expect to see—we will hold STV to account for this—is that regional content will be available on those other platforms, which STV has committed to doing.

Stephen Kerr: You will forgive me if I say that I think that you are struggling to justify what you have done, which is to bring together the two licences, in effect. If considered in any other business context, we would say that you have merged two things together.

Cristina Nicolotti Squires: Actually, we have not, because it is not a merge. There will still be two separate licences.

Stephen Kerr: I am only giving you my view, which is based on your answers.

Cristina Nicolotti Squires: That is of course entirely your right.

The Convener: I will bring in Mr Harvie.

Patrick Harvie: Convener, I wanted to come on to some of the wider issues in the broadcasting inquiry, so I do not know whether you want to allow anyone who wants to ask about STV to come in first.

The Convener: I know that Mr Brown wants to come in, as does Mr Halcro Johnston. Everyone wants to come in, but we will come to you last if that is okay, Mr Harvie. If you could be succinct, Mr Brown, that would be good. I know that it is difficult, and I am sorry about the timings today.

Keith Brown: I have just two questions. One of them is on STV, but the first one relates to the discussion that there has been on whether Sky might be taking over ITV.

This might not be central to our questioning so far, but I am interested in Ofcom's view on the absolutely atrocious "Press Preview" that is on Sky every night, in which you get a vaguely leftist or Labour-supporting journalist and an avowedly right-wing journalist to give their unbiased views on the unbiased print media to an unbiased interviewer. How that serves Scotland or anywhere else, I do not know. Has Ofcom ever looked at that or taken a view on it? Given Cristina's previous experience at Sky—I do not know how long ago that was—I am interested to hear her view.

Cristina Nicolotti Squires: It came under my remit. Like all other programming that Ofcom licences, that bit of programming is subject to due impartiality rules, which we enforce. If we get major complaints about a particular item, we will investigate those. I have not watched "Press Preview" for a while, and it has been a couple of years since I left Sky, but, from my experience, I think that there is generally a pretty decent balance and range of views on the programme. Broadcasters have the freedom to come up with formats of programmes as they see fit; as long as programmes are duly impartial and duly accurate, that is as far as our views go.

Keith Brown: I cannot see how anybody could say that it is impartial, but we will leave that aside.

On the substantive question about the STV licence, when you first spoke, you quite rightly talked about various pressures in relation to how audiences are moving. I understand that point and do not disagree with it.

However, the point is that the licence was agreed months before STV sought to, in my view, completely change it. Glenn Preston provided a bit of an explanation for that, saying, "That might've happened two years ago, but it doesn't matter what the licence renewal is; you are obliged to agree to what was previously agreed", or words to that effect—I do not know exactly what the phrase

was. Can you see why the public has absolutely no trust in the process? I am not saying that it is necessarily Ofcom's fault, if the way that the Government has set it up is that you can only agree what was previously the licence.

On what you said about the way the audience is changing and trying to make sure that STV is sustainable, I note that that change has not just happened in the past few months; it has been going on for years—everyone has seen that. Do you understand why there is a complete lack of trust in the process among the public, who will expect that, when a licence is agreed, that will be that for the 10-year period, or at least a substantial part of it, rather than for a few months before it is completely changed?

11:15

Glenn Preston: I understand the point that you are making. I can do the chapter-and-verse bit either now or in writing to the committee, if that is easier, to explain the process behind renewal and why we are allowed to renew only on the basis of the provisions that were in the previous licence. I am happy to explain to the committee in writing why that is the case.

The other point to make is that a licence holder can come to us as the regulator at any point in the process.

I hear what you are saying, that there might be a public expectation that, when you renew a licence, there will not be any substantive change within the first handful of years, for example, for a licence with a 10-year duration. However, that is not how the legislative framework or our regulatory duties are structured. Any organisation that owns a licence, whether it is STV or another organisation, can come to us at any point in the licence process or for the duration of the licence and ask for changes, and that is essentially what has happened in this circumstance.

Keith Brown: Looking at how fundamentally STV is seeking to change it, and given what the public has a right to expect, I cannot see how you can do anything other than reject, at least substantially, what STV intends to do. Otherwise, you will just lose public trust.

I know that we are short of time, convener, so I will leave it at that.

Jamie Halcro Johnston: A lot of issues have been covered and I do not want to repeat them. However, earlier in the meeting, Cristina Nicolotti Squires said, "Our minds are not made up". The letter that we have received from you says:

"We are proposing to approve STV's request. In our view, STV's proposals will ensure that audiences continue to be served with high-quality, regional news provision on a sustainable basis for STV."

That sounds as though your minds are pretty made up.

Cristina Nicolotti Squires: It is subject to consultation. Perhaps those words should have been put in that letter.

Jamie Halcro Johnston: Well, possibly so.

What could make you change your mind?

Cristina Nicolotti Squires: In all consultation processes, we take into account the range and volume of views provided. We will perhaps go back to the licence holder on this occasion and say that we might have further discussions with it. However, we think that its proposal is the best thing for audiences across Scotland and for the sustainability of the STV licence.

Jamie Halcro Johnston: It does not sound as though there is much that will change. You are not telling me about anything that you would really change.

Cristina Nicolotti Squires: I have not personally seen any of the consultation responses yet.

Jamie Halcro Johnston: If I were thinking of replying to the consultation, I would probably think, "Well, they have made their minds up, so there is not much point in me replying, anyway."

Cristina Nicolotti Squires: You are entitled to say that—

Jamie Halcro Johnston: Have you had many responses, do you know?

Cristina Nicolotti Squires: Yes.

Glenn Preston: We have, yes. There was a big reaction both before and after the consultation on this, as you would expect.

Jamie Halcro Johnston: If the responses were almost universally negative, could that change people's minds, or is it just a question of analysing the responses?

Cristina Nicolotti Squires: It is a question of analysing the responses.

Glenn Preston: We asked people to answer specific questions to help us build the evidence base.

We have presented an evidence base in relation to what we have received from STV, but also in relation to things such as our own audience research. There is a lot of content in the consultation that flows from Ofcom's engagement with audiences across Scotland, which we do qualitatively and quantitatively every year as part of things such as our "Media Nations" work.

We have asked consultees to come back to us on specific questions about what is being

proposed here, with evidence as to why we should do a particular thing. We will be doing the analysis after the consultation—

Jamie Halcro Johnston: I am sorry to cut in, but we are obviously short of time. I appreciate that, but virtually everybody we have heard from, bar STV management—and I think that colleagues would probably say the same—such as journalists, people who were formerly with STV and audience members or watchers, are opposed to this. Their feeling is that it is a diminution of service. Do you suggest that the service that is going to be provided will be as good as it was before?

Stefan Webster: Yes, and that is fundamental to the decision. There will still be a high-quality form of regional news, available for audiences on linear television for viewers across Scotland. It will look and feel a bit different, but it will still be high-quality regional news.

Jamie Halcro Johnston: But there will be people who will miss out, and there will certainly be local news that it will not be possible to cover in the same ways that it has been.

We keep hearing about “they”, meaning the audience, but the audience are not one group. In the Highlands and Islands region that I represent, it is vitally important that we have news that is as local as possible. That is why there are such high listening numbers for local radio.

What is happening will mean that a lot of older people, as the convener highlighted, will see a reduction in the service that they are getting. Would you accept that?

Stefan Webster: I think that the word that was used was “dilution”—the news programme will look and feel different, and there might not be as much in any half hour at 6 o’clock as there has been previously. However, we hope that that gives STV the flexibility, over the totality of what it is doing, to serve audiences increasingly in digital spaces on top of delivering a high-quality linear news programme.

Cristina Nicolotti Squires: Sometimes there are stories on the two different programmes that are, in a sense, the same story, but they are done by two different people in two different places. It is important—and this is STV’s responsibility—that high-quality local journalism is still kept on the programme.

Jamie Halcro Johnston: The point was made, perhaps by Glenn Preston, that STV has said that it is committed to local journalism and covering local issues, but it signed a licence that placed obligations on it pretty much a year ago, and that is already being changed.

How can we, therefore, have any real faith in those obligations when STV can just come to you and say, “Well actually, we’re sorry, but this is going to be too difficult and too expensive”?

Cristina Nicolotti Squires: There is not anything to actually stop that, but with all these licences, as Glenn Preston explained, they can be handed back—anyone can hand them back.

Jamie Halcro Johnston: But STV is not handing back the licence. It has come to you and said—

Cristina Nicolotti Squires: No—rather than handing back the licence, it has asked for a variation.

Jamie Halcro Johnston: So, what is to stop it coming to you for another variation when things become a little bit too difficult and too expensive?

Cristina Nicolotti Squires: There is nothing to stop that.

Jamie Halcro Johnston: So, this might not be the end of variations of the licences.

Cristina Nicolotti Squires: The BBC comes to us with variations of the licence probably about every three months, so I imagine that that will continue. There is nothing in the current legislation to stop STV coming back to us to ask for another licence variation, but we take each licence variation separately and give it equal scrutiny.

Jamie Halcro Johnston: I am conscious of time, so I will hand over to Mr Harvie.

Patrick Harvie: As I have said on previous occasions, I strongly share the concerns that members have expressed about STV, but we also have the inquiry into broadcasting, and we are now left with very few minutes to explore some of those issues. I suggest that, after the session, we might follow up in writing with some additional questions on that area.

In the time available, I ask you to respond to the suggestion that we are all—Parliaments, Government, the regulator and industry—currently having far too narrow a conversation about how the regulation of our media landscape needs to change. The reason I suggest that is because we are talking about whether, or how, to continue or adjust arrangements that have their origins in a time when public service broadcasting was utterly dominant in the media landscape. It set the tone and the agenda for the rest of the industry, set audience expectations profoundly and shaped the media landscape in a way that is no longer the case.

The public service broadcasters remain very important, but they are players within a much wider landscape, some of which is, to be frank, the wild

west and is much less significantly regulated. We are moving into an area—as you have said in response to other members—in which some of those public service broadcasters will be specifically trying to put their content on to completely unregulated platforms. Their content may be produced in a regulated way, but it will be completely intermingled with opinion presented as fact, conspiracy theories, extremist content, AI slop, rage bait and AI-generated images.

While it seems that the rules on the creation of intimate AI images are now going to be enforced, we have no similar rules on the use of AI to propagate conspiracy theories, damage people's reputations, manipulate share prices or affect election results. Public service broadcasters' content will be entirely intermingled with all that wider content, in every sense. The regulatory arrangements, which were designed to ensure that people have a media landscape that they can broadly trust, will remain utterly ineffective. I ask you to respond to the suggestion that we need a much broader approach to regulation of the media landscape.

Cristina Nicolotti Squires: I agree with a lot of what you said. It is not a good idea to have a narrow conversation. In fact, we called for a review of regulation in our report into the public service broadcasting sector. At the moment, we have a consultation that is asking people to input into what should change. Some of that change would be within our gift, but some of it would not and would require legislative change.

Yesterday, we published our proposals on the prominence of social media on smart TVs, as per the Media Act 2024. If those proposals go through—of course, our minds are not made up on such things—they would guarantee for the first time that, when you turn on your Samsung telly or whatever it is, there will be an absolute right, for no money at all, for the public service broadcasting apps to be on the first rail that you land at.

Social media is becoming prominent on smart TVs, but how do we get good-quality, trusted and regulated news to be prominent in the soup—if you like—of the internet? In our report—which is now being discussed—we focused on the video sharing platforms. We chose to focus particularly on YouTube, because it is increasingly being used in sitting rooms and it is increasingly the place that people are turning to. We are in discussions with the Department for Culture, Media and Sport and stakeholders about what such prominence on YouTube would look like. We do not have all the answers, and we need people to input into that.

We made a nod to the question whether PSBs can be given prominence across a range of social media. I do not have the answer to that question.

If anyone does, please talk to us. It is all so different.

However, we and the Government recognise the importance of making sure that good-quality, trusted and regulated content, which people know that they can trust—whether it is from the BBC or STV—is discoverable. Allied to that point—because there are all different algorithms and different systems—is the issue of media literacy, or what I prefer to call critical thinking and digital citizenship. That is something that I feel strongly about, and I am pleased that the Scottish Government in particular has made moves in that regard. It is about knowing the difference between the slop and the good stuff. Our research shows that, if you ask young people how they verify what they see on TikTok or whatever, they will often say, "Well, I'll go check it out on the BBC or STV." Media literacy is key to addressing some of these issues.

However, you are right that we need to have a much wider discussion about what regulation should look like for this kind of content. Forget broadcasting; it is about certain types of content, how we regulate them in the world that we now live in and how we will increasingly do so in the future. We are having those discussions and we have done a call for evidence. As I said, some aspects of the issue are in our control and some will require legislation.

Patrick Harvie: I agree with the point about the importance of media literacy in the broader sense, however we frame it.

Cristina Nicolotti Squires: It is hugely important—not just for kids, but for all of us.

Patrick Harvie: I also agree on the value that media literacy can bring. However, it is only one element of the protection that we need. Let us consider the issue almost in a public health sense: if individual choices to wear a mask in public or something like that were to be the only protection that we would have in place during a public health emergency, we would utterly fail. It will not help for public service broadcasters' content to be discoverable on a platform that is still riddled with all the evils that I described earlier. Surely, if we want to achieve what previous generations achieved, which is a media landscape that is broadly trustable rather than one in which you can seek out and find trustworthy content, the platforms themselves must be regulated.

Cristina Nicolotti Squires: Who comes under what regulatory remit is a discussion for Governments, because that requires legislation.

Glenn Preston: I will make one additional point, which was also touched on when we were at the committee in May last year and the convener—I

think—asked us in broad terms about our duties under the Online Safety Act 2023. Those duties are relevant in answering your question, Mr Harvie. However, what you said about whether we need to go further is very fair. The UK and Scottish Governments have been actively considering whether they need to legislate to create the type of framework that you have just described.

Patrick Harvie: Okay—thank you.

The Convener: I will squeeze in a final question. Cristina Nicolotti Squires, in relation to STV, you mentioned that you are looking at what would be better for the whole of Scotland. However, should the issue not be about the people of the north-east and the impact that the decision will have on the STV North licence? As Mr Kerr said, you seem to have homogenised those people in the way that you would not do in, say, Newcastle or Birmingham.

Cristina Nicolotti Squires: I would not expect people in Cornwall to get news that is made in London—quite rightly. Sorry, I may have misspoken. When I talked about people in all of Scotland, I was talking about making sure that STV is sustainable and able to exist, and that it will not just survive but thrive.

Glenn Preston: It is important to say that we are not talking about a licence for the north-east; it is a licence for the north of Scotland in its entirety. Anecdotally, a couple of weeks back, with our online safety hat on, we had an interesting conversation with a stakeholder who said that they felt that STV North news is too Aberdeen-centric. That was only one stakeholder's view, but it was an interesting anecdotal point about the types of things that we must consider regarding the licence, and that distinctiveness might mean something different in Inverness.

The Convener: Wait until they get their news from Glasgow.

I am sorry, but we are up against time. There may be some questions that the committee will want to come back to. Thank you for your attendance at the committee this morning.

Meeting closed at 11:31.

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