



The Scottish Parliament  
Pàrlamaid na h-Alba

**CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE**

**AGENDA**

**17th Meeting, 2018 (Session 5)**

**Thursday 7 June 2018**

The Committee will meet at 9.00 am in the Mary Fairfax Somerville Room (CR2).

1. **Decision on taking business in private:** The Committee will decide whether to take agenda item 4 in private.
2. **Presidency of the Council of the European Union:** The Committee will take evidence from—  
  
H.E. Konstantin Dimitrov, Ambassador to the United Kingdom, Republic of Bulgaria.
3. **STV – strategic review:** The Committee will take evidence from—  
  
Simon Pitts, Chief Executive, and Bobby Hain, Director of Channels, STV.
4. **STV – strategic review:** The Committee will review the evidence it heard earlier in the meeting.

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Clerk to the Culture, Tourism, Europe and External Relations Committee  
Room T3.40  
The Scottish Parliament  
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The papers for this meeting are as follows—

**Agenda item 2**

Note by SPICe

CTEERC/S5/18/17/1

PRIVATE PAPER

CTEERC/S5/18/17/2  
(P)

**Agenda item 3**

Note by the Clerk

CTEERC/S5/18/17/3

PRIVATE PAPER

CTEERC/S5/18/17/4  
(P)

**Culture, Tourism, Europe and External Relations Committee****17<sup>th</sup> Meeting, 2018 (Session 5) Thursday 7 June****Bulgarian Presidency of the European Union****Background**

On 1 January 2018, Bulgaria took over the six monthly Presidency of the Council of the European Union from Estonia. Ten years after joining the EU, this is the first time that Bulgaria has held the Presidency.

The Bulgarian Presidency is the second of the current trio of presidencies, with Estonia preceding it and Austria to follow it.

The Presidency has two main tasks<sup>1</sup>: Firstly, the Presidency chairs meetings of the different Council configurations (with the exception of the Foreign Affairs Council) and the Council's preparatory bodies, which include permanent committees such as the Permanent Representatives Committee (Coreper), and working parties and committees dealing with very specific subjects. The Presidency also organises various formal and informal meetings in Brussels and in the country of the rotating presidency.

The Presidency is also responsible for representing the Council in relations with the other EU institutions, particularly with the Commission and the European Parliament. Its role is to try and reach agreement on legislative files through trilogues<sup>2</sup>, informal negotiation meetings and Conciliation Committee meetings<sup>3</sup>.

This briefing provides the context to and priorities of the Bulgarian Presidency of the EU.

**Bulgaria's Presidency – the context**

Bulgaria's Presidency comes at a time when the EU is preoccupied by a number of overarching concerns including Brexit, the migration crisis, addressing challenges to democratic practices in a number of its member states and threats to the internal and external security of the bloc.

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<sup>1</sup> [www.consilium.europa.eu/en/council-eu/presidency-council-eu/](http://www.consilium.europa.eu/en/council-eu/presidency-council-eu/)

<sup>2</sup> Negotiations between the European institutions on legislative proposals generally take the form of tripartite meetings ('trilogues') between Parliament, the Council and the Commission. Trilogues may be organised at any stage of the legislative procedure (first, second or third reading).

<sup>3</sup> A conciliation committee is convened if the Council does not approve all of the European Parliament's amendments to proposed legislation at the second reading. It is composed of an equal number of members of the Parliament and Council representatives. It has to agree on a text that would be acceptable to both institutions.

An article on [Politico summarised](#) the challenges facing the Bulgarian Presidency:

*“Sofia’s presidency motto may be “United we stand strong” but it will have to cope with talks on Brexit and the EU’s next long-term budget while battling problems at home, where its anti-corruption measures have come under fire from all sides, where confidence in politicians is low and where, for the first time in the country’s post-communist history, a populist party (the United Patriots) has made it into government.”*

### **Bulgaria’s Presidency – the priorities**

The main theme for the Bulgarian Presidency is “United we Stand”, the reasoning for this motto is outlined in the Presidency programme:

*“Bulgaria chose its national motto as the motto of its first EU presidency for good reasons.*

*The main value of the European project was to wipe out division lines and unite a fractured continent around the centennial dreams of its people - of peace, freedom, democracy, prosperity and justice.*

*EU summits in Bratislava and Rome showed clearly that despite Brexit the European dream is still alive and that a united Europe is our common destiny.*

*Europe continues to be the most attractive place to live world-wide, and one of its challenges, migration, provides clear evidence of that.*

*This should make us both more proud to be Europeans and more ambitious about our Union. We believe that our European ambition should inspire not divide, it should be shared, not imposed.*

*In order to preserve its historical achievements and prepare for the future, Europe has to re-invent itself as it has always done throughout its six decades of integration.*

*This will take reflection and discussions, imagination and courage, resilience and leadership. But above all, it will take a sense of common destiny and consensus.”*

The aim of the Presidency is to work for a:

- **Secure Europe**, because the migration crisis and the terrorist acts over the past years have shown how vulnerable we are;
- **Stable Europe**, because the citizens want to know that the European Union is taking care of their prosperity and wellbeing;
- **Solidarity Europe**, because all member states are faced with the main challenges and they can be overcome only with joint action, not at national or local level.

The Bulgarian Presidency identified [four priorities](#) for its six month presidency. These are:

- Future of Europe and Young People – Economic Growth and Social Cohesion
- European Perspective and Connectivity of the Western Balkans
- Security and Stability in a Strong and United Europe
- Digital Economy and Skills Needed for the Future

Each of these priorities is discussed briefly below.

### **Future of Europe and Young People-Economic Growth and Social Cohesion**

Under the first of its priorities, the Bulgarian Presidency has committed to work to improve “the wellbeing of all citizens of the European Union through promoting cohesion, which creates the conditions for unity and solidarity”.

Priorities in this area include:

- The debate on the new Multiannual Financial Framework (MFF) post-2020
- Simplification and modernisation of the Common Agricultural Policy
- Strong and sustainable economic growth in the EU through the initiatives to strengthen the Economic and Monetary Union (EMU)
- Safeguarding the high standards of environmental protection and the citizen’s quality of life by means of sustainable growth and a “green economy” focusing on the transition to the circular economy and eco-innovative initiative
- Encouraging the pro-active civil and political involvement of young Europeans in building a secure, united and peaceful society by respecting the European values

### **European Perspective and Connectivity of the Western Balkans**

As a Balkan country, Bulgaria has prioritised presenting a European focus in the Western Balkans. According to the priorities:

*“When talking about united Europe, we should not forget that the Western Balkans need a clear European perspective and connectivity between them and with the member states. The ambition of the Bulgarian Presidency is to achieve a clear action plan with each of the countries, without creating unrealistic expectations, but with concrete steps. This is the way to have long lasting peace, security and prosperity in the region. The goal is to provide connectivity to the Western Balkan countries – transport, air, energy, educational and digital. Bulgaria invests consequent efforts in this direction, for example by promoting the digital policies of the EU among the countries in the Western Balkans through gradual reduction of roaming charges and by increasing the possibilities for broadband internet access.”*

As might be expected, within the Western Balkans priority, the Bulgarian Presidency will focus on further EU enlargement within the Western Balkans (with Albania and the Former Yugoslav Republic of Macedonia at the front of the queue) along with “deepening regional cooperation and developing good neighbourly relations”.

### **Security and Stability in a Strong and United Europe**

Under security and stability, the Bulgarian Presidency has prioritised “work on building and implementing effective mechanisms for increasing the security of EU citizens, strengthening border controls and a more effective management of migration processes”.

In this area, the Presidency’s priorities include focussing on issues around migration, strengthening the security of the Schengen area and maintaining high standards in the area of cyber security in the EU. Other priorities identified are:

- the institutionalisation and the launch of the work of the European Public Prosecutor's Office;
- a stable Energy Union;
- consolidating the Union's role as a strong global actor on the international scene;
- deepening EU-NATO cooperation.

### **Digital Economy and Skills Needed for the Future**

The Presidency's final priority is the digital economy where the focus of activity will be on improving the digital environment for the benefit of young people. The specific focus will be on the following issues:

- accelerating the process of completing a competitive and fair Digital Single Market; supporting connectivity within the EU;
- promote entrepreneurship based on digital technology and innovation;
- developing intermodal transportation, enhancing the competitiveness and sustainability of air transport in the EU;
- achieving positive results on the legislative proposals in the Mobility Package that take into account the national specifics of the transport sector in each Member State;
- creating the conditions for making audio-visual production and Copyright protection elements of economic growth, innovation, and enhancing the legal protection of authors and right holders.

### **Bulgaria's Presidency - Engagement with the European Parliament**

At the beginning of the Presidency in January 2018, Bulgarian ministers [outlined](#) the priorities of the Presidency to relevant European parliamentary committees.

On fisheries, the Presidency told the Fisheries Committee that the activities of the Presidency will focus on the sustainable management of European fisheries, guaranteeing the preservation of fish stocks without overlooking the vitality of the sector.

On international trade, the Presidency stressed the aim was to strengthen the EU's leading role in international trade, by, for example, concluding a trade deal with Mercosur states<sup>4</sup> as well as launching talks with Australia and New Zealand are among the priorities.

On the internal market, the Presidency told the European Parliament it aims to tackle remaining barriers to the free movement of goods and services, in line with the Single Market and the Digital Single Market strategies.

On agriculture, pursuing debate on ways to modernise and simplify the EU's farming policy after 2020 and the EU's future long-term budget are key priorities for the Presidency.

A [summary of all the meetings](#) is available on the European Parliament website.

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<sup>4</sup> Mercosur is South America's leading trading bloc. Full members are Argentina, Brazil, Paraguay and Uruguay. Venezuela is a full member but is currently suspended whilst Bolivia, Chile, Colombia, Ecuador and Peru are Associate members.

## The achievements of the Presidency

The Bulgarian Presidency has seen progress made under each of its priorities. At the end of April, the Presidency published a [video](#) outlining its achievements to that point in the Presidency. The final section of this briefing highlights some of the achievements of the Presidency.

Under the Future of Europe and Young People-Economic Growth and Social Cohesion priority, the Bulgarian Presidency has seen progress made on proposals for the 2021-2027 multiannual financial framework. The European Commission published proposals on 2 May 2018 and EU ministers held a first exchange of views on the proposal at the General Affairs Council meeting on 14 May<sup>5</sup>.

The Presidency also issued Presidency conclusions on the future of the Common Agricultural Policy which were intended to make a positive contribution to the debate on the future of CAP and serve as useful guidance to the Commission in the preparation of the forthcoming CAP legislative proposal<sup>6</sup>.

Under the security and stability heading, the Bulgarian Presidency's work has led to the development of the [European Migration Network \(EMN\)](#) which was established under Council Decision 2008/381/EC and met in Sofia on 31 May and 1 June.

The Bulgarian Presidency has also seen progress on strengthening the single market. For example, at the end of May, the Council agreed a general approach on a draft regulation aimed at improving the mutual recognition of goods marketed in another member state<sup>7</sup>. The regulation should ensure the application of the principle of mutual recognition in the internal market, and thus to ensure that goods lawfully marketed in one member state can be sold in any other member state.

According to the Presidency, at the same Competitiveness Council meeting, Ministers reviewed the progress on a number of legislative and non-legislative initiatives related to the better functioning of the Internal Market and the finalisation of the Digital Single Market<sup>8</sup>.

The Presidency's priority focussing on the Western Balkans saw progress on 17 April when the European Commission [announced](#) that it was recommending that "the Council decides that accession negotiations be opened with the former Yugoslav Republic of Macedonia in light of the progress achieved and in view of the sustained reform momentum, maintaining and deepening the current reform momentum". The Commission also recommended talks should be opened with Albania. A decision on opening accession negotiations may be made at the June 2019 European Council meeting.

Under its economic growth priority, the Presidency secured the agreement of the Council which paves the way for completing the Banking Union. This agreement followed 18 months of negotiations between member states<sup>9</sup>. According to the Presidency, the package agreed "seeks to implement the reforms identified at international level following the 2007-2008 financial crisis".

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<sup>5</sup> <https://eu2018bg.bg/en/news/1027>

<sup>6</sup> <https://eu2018bg.bg/en/news/708>

<sup>7</sup> <https://eu2018bg.bg/en/news/1149>

<sup>8</sup> <https://eu2018bg.bg/en/news/1151>

<sup>9</sup> <https://eu2018bg.bg/en/news/1130>

The Foreign Affairs Council (Trade) meeting on 22 May, agreed to open trade negotiations with Australia and New Zealand. They also decided on what EU trade agreements should look like in the future and committed to smooth adoption of the free trade agreements between the EU and Japan and Singapore, as well as the investment protection agreement with Singapore<sup>10</sup>.

The Presidency has also overseen progress in the Council on a number of pieces of legislation including:

- Waste management and recycling
- Organic farming
- Revised rules on professional lorry and bus drivers' training
- Cross-border parcel delivery rules to boost e-commerce
- Revision of the posting of workers directive
- Rules to further prevent corporate tax avoidance
- EU Emissions Trading System reform 2021-2030

**Iain McIver**  
**SPICe Research**

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<sup>10</sup> <https://eu2018bg.bg/en/news/1109>

**H.E. Konstantin Dimitrov, Ambassador to the United Kingdom, Republic of Bulgaria**



**08/12/2009-19/03/2012 -**

Deputy Foreign Minister for European Affairs of Bulgaria.

**25/06/2005 – 25/06/2009**

Member of Parliament, 40th National Assembly of the Republic of Bulgaria.

Deputy Chairperson of the Foreign Affairs Committee. Member of the European Affairs Committee and of the Subcommittee for the Control Over the EU Funds Management.

**01/01/2007 – 22/05/2007**

Member of the European Parliament, EPP-ED group Member of the Foreign Affairs Committee and the Committee for Civil Liberties, Justice and Home Affairs of the European Parliament.

**15/06/2002 – 15/07/2009**

Director of the Institute of Euro-Atlantic Security in Sofia.

**01/01/2000 – 21/04/2002**

Head of the Bulgarian Mission to NATO and WEU (NATO & WEU Ambassador) Ambassador Extraordinary and Plenipotentiary of the Republic of Bulgaria to Belgium and Luxembourg.

**15/01/1998 – 21/02/2000**

Deputy Minister of Foreign Affairs of the Republic of Bulgaria.

**02/06/1997 – 15/01/1998**

Head of NATO, WEU & Security Issues Department at the Bulgarian Ministry of Foreign Affairs.

**04/03/1997 – 02/06/1997**

Head of the Policy Planning and Coordination Department at the Bulgarian Ministry of Foreign Affairs.

**12/09/1995 – 04/03/1997**

Expert at the Information Department at the Bulgarian Ministry of Foreign Affairs.

**08/08/1994 – 12/09/1995**

Third Secretary at the Embassy of the Republic of Bulgaria in Washington D. C., USA

**31/08/1992 – 08/08/1994**

Expert at the Western Europe & North America Department at the Bulgarian Ministry of Foreign Affairs.

**15/04/1988 – 01/05/1992**

Lecturer in English Language, Anglo-American Studies, English through International and International Economic Relations at the Technical University in Sofia.

**10/10/1978 – 10/07/1983**

*Title of qualification awarded:* Master's Degree in English and German languages and Literature.

Principal subjects / occupational skills covered: Master's Degree in English and German languages and Literature Anglo-American studies, translation and editorial work.

*Name and type of organisation providing education and training:* University of Sofia, Classical and New Languages Department (University of Sofia).

**Culture, Tourism, Europe and External Relations Committee**

**17th meeting, 2018 (Session 5) Thursday 7 June 2018**

**STV – strategic review**

**Purpose**

The purpose of this session is to take evidence from Simon Pitts, Chief Executive of STV, and Bobby Hain, Director of Channels, to discuss the strategic plan announced by STV on 16 May 2018.

**Background**

1. On 16 May 2018, STV announced the results of a strategic review unveiling a [three year growth plan](#).
2. According to the announcement, “The new strategy will bring changes to STV’s management, culture and organisation and will be delivered through 3 strategic objectives–
  - Maximising the value of STV’s broadcast business by delivering high quality, cost-effective news and entertainment;
  - Driving digital growth through the STV Player by creating an STV for Everyone
  - Building STV Productions into a world-class independent production company”
3. The announcement contained a number of specific measures to be taken under the plan, including the closure of STV2; “commercial terms agreed to sell STV’s local TV assets to *That’s Media*”; and the launch of a ‘change programme’ in news entitled “News 2020”.
4. Attached as an annexe to this paper is a letter from the Chairman of STV Group plc, Baroness Margaret Ford, to the Convener in advance of the evidence session.

**CTEER Committee Clerking Team  
4 June 2018**



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Ms J McAlpine  
Convener  
Culture, Tourism, Europe and External Relations Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

4 June 2018

Dear Joan,

Thank you for your invitation for STV to appear at the upcoming session of the Culture, Tourism, Europe and External Relations Committee on 7 June. Unfortunately, I am travelling on that day and so cannot attend. However, I thought it would be useful to the Committee ahead of the session if I offer further clarity on some of the elements of the review that have been subject to discussion in Parliament.

Simon Pitts was appointed with a clear mandate to continue to develop STV into a sustainable independent business ready to satisfy this generation and importantly, the next generation of television viewers in Scotland. In addition the Board agrees that we must produce content that is also attractive to audiences outside of Scotland. So we fully endorse his vision for positioning STV as a world class independent broadcaster and producer of outstanding programming. By facing up to the difficult decisions identified through the strategic review, and by investing heavily in the future of the Company, we believe we are best placed to remain a relevant and successful independent broadcaster.

I hope it goes without saying that the Board is completely committed to maintaining and enhancing our position as a high quality, trusted voice in Scottish news and current affairs. But to do so, we need to keep updating our ways of working.

The Board fully appreciates that undergoing change can be extremely difficult. And we are acutely aware of the need to handle this sensitively and constructively for those of our colleagues who are affected. However, we have a duty to modernise our offering to remain competitive and a failure to do so in a timely way would let down our talented staff, dedicated viewers and supportive shareholders.

I think it is a pity that some commentators have tried to conflate the issue of Simon's pay with this strategic review. Commercial television is a very competitive sector and we were determined to bring the best leadership in the sector to Scotland. And we were prepared to pay the going rate. It is worth drawing to the Committee's attention, though, that the Chief Executive's total pay is no higher than his predecessor.

However, on joining STV we compensated Simon on a one off basis, for the considerable shareholding he had built up with his former employer and which he was obliged to forego. This is usual practice in public companies when very senior executives transfer from one

company to another and was strongly supported by our shareholders. I feel it is important to correct how this has been misrepresented in the press.

I hope that this information is helpful to the Committee and I know that Simon and Bobby Hain are looking forward to engaging with you.

Yours sincerely,

**Baroness Margaret Ford**  
**Chairman**  
**STV Group plc**