



ALBA | CHRUTHACHAIL

Submission to the Education & Culture  
Committee Inquiry: *BBC Charter Renewal*

## **Introduction**

This submission responds to the Inquiry questions set by the Education & Culture Committee.

### **Question 1: Scale and scope of the BBC**

#### ***How should the Charter reflect the BBC's priorities and output in Scotland?***

The Scottish Government's stated long-term policy aim is that broadcasting should be wholly devolved to the Scottish Parliament. However, it is recognised that in the shorter term, through the Memorandum of Understanding agreed between the Scottish Government, UK Government, Scottish Parliament and the BBC, the process of BBC Charter Renewal is where Scottish Government will focus its on-going policy in this area.

There is a perception, as evidenced by a recent PACT report that the BBC has not responded fully to the impact of devolution and that overly-centralised and largely London-based network commissioning has led to a lack of representation of Scotland at a national level and has contributed to stagnation in the local independent production sector (see <http://www.pact.co.uk/news/news-detail.html?id=support-tv-scot>). News coverage is also perceived as London-centric. Attempts have been made to embed network commissioning editors and executives in BBC Scotland, but with limited autonomy to commission, this has led to a view from the sector that more needs to be done to improve both representation and provide greater access to network commissions.

Creative Scotland acknowledges the unique position that the BBC holds within the UK and international broadcasting ecology as a Public Service Broadcaster. We recognise that exposure on BBC Scotland for music, arts and other cultural events is consistently positive and very much valued.

The BBC Charter Renewal process should take account of the significant changes that have taken place in the Governments of the nations over the past few years and also the changes that are soon to come as a result of the implementation of the recommendations of The Smith Commission. It is a widely held view that the current governance structure of the BBC needs to be considered carefully and revised in order that it can respond fully to these changes. A new governance model should adapt to this new environment. The scale and scope of the BBC overall is appropriate, although issues relating to governance, commissioning control, the financial impact of the corporation in a Scottish context should be addressed; and the BBC's budget resources and commissioning powers should be decentralised.

The BBC Trust review of the BBC's arrangements for the supply of television and radio content and online services Response by BBC Audience Council for Scotland (<http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/acs/acscontentsupply.pdf>) found that:

*"Producers who have engaged with the Audience Council stress the importance of proximity for achieving commissions: the ability of a commissioner to have faith that an indie will deliver is so critical that there is a strong bias to commission only those producers with whom they have the closest working relationship. This is effectively a bias towards proximity. Where most key commissioners are based in London, as in the BBC, this means that London-based producers have an unfair advantage."*

Genuine devolution or decentralisation of budgets and both local and network commissioning powers within BBC in Scotland is required, however this must not have an impact on Scottish audiences' access to the highly-valued UK network output. Television Drama can and has been commissioned locally but it is expensive to produce and under the current financial settlement it is unlikely that drama output from Scotland will increase. Commissioning power can only be effective if it is backed up by the necessary funding, which in drama and high-end entertainment can easily exceed £1m per hour.

The BBC has a wide and significant talent development and training remit and one that should not be underestimated because it is something that commercial broadcasters cannot, and do not, prioritise. This priority should be reflected across the BBC's output and be relevant to the nation or region's diversity of representation.

***Should in-house production quotas and Terms of Trade allow greater competition and what impact could this have on the Scottish broadcasting industry?***

Quotas have led to lift and shift productions; these provide work to cast, crew and other practitioners, but, crucially, the use of quotas and overuse of lift and shift means that there is a failure to genuinely represent the reality of different countries within the UK. Lift and shift productions fail to contribute to or encourage organic development and growth of long-term local businesses and creative talent. This is reflected in The Purpose Remit Survey, published by the BBC Trust in July 2015, which showed the largest performance gap in the Fourth Public Purpose: representing the nations, regions and communities.

The BBC Studios proposal risks driving the focus and emphasis of relationships further towards London, to the detriment of the Scottish sector, an issue already identified in previous research on the Scottish sector (Ekos, 2013). The rapid consolidation within the global content market and the emergence of mega-indies which informs the BBC Studios proposal, does not represent the reality of Scottish production. The Scottish sector is currently too weak to be able to compete in the more open market place that would be created. Despite attempts to grow the independent screen sector companies, while enjoying some success, they are still fragile and for the most part at a disadvantage in relation to mega indies. BBC Studios can only work if implemented alongside a re-calibration of the out-of-London quota system to ensure that there is a level playing field as a starting point.

The BBC's strength lies in its ability to make long term investment commitments to productions and initiatives which are important but would not prove cost effective to a commercial operation. It also frees it up to take risks which again would be less economically attractive to a commercial operation. BBC programme makers value creativity above profit. They are driven first and foremost to make the highest quality programmes they can. BBC Studios might be driven by a different imperative. There is a risk that in any new commissioning structure, where BBC Studios are competing for commissions alongside the independent sector in Scotland, that it could be perceived that BBC Studios presents a lower risk to the successful delivery of programmes, thereby leading to a less competitive commissioning environment

The proposed 'BBC Studios' model risks exacerbating existing weaknesses, and creating a two-tier production system. This would widen the gap between the

Scottish sector and the rest of the UK, both in economic terms and in terms of portrayal/representation/visibility.

***Is the BBC's online presence damaging local and regional news outlets in Scotland? What could be done to ensure the BBC works more co-operatively with the local and regional news sector?***

In the BBC annual report of 2014/15 it references that only 48% of viewers in Scotland think the BBC 'is good at representing their life in news and current affairs content':

<http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf>

London bias and the centralised commissioning and management structures continue to contribute significantly to the widening of this gap.

The vibrant levels of creative activity in Scotland, born out of a strong sense of cultural identity and confidence encouraged by increased political and financial devolution, may have heightened perceptions of a lack of representation. The social media backlash during the referendum because of the perceived lack of representation and lack of impartiality in news coverage may have helped fuel the widening of this gap.

UK political news and current affairs are perceived as predominantly relating to England, reflecting activities in Whitehall and Westminster, not the Scottish Government or Parliament or indeed Scotland's 32 local authority areas, including its 94 inhabited islands.

The BBC is key in the development of innovative approaches to online broadcast platforms such as has been demonstrated by the success of the iplayer. We do not believe that commercial operators would fill the gap left if the scope of the BBC's current activity were limited.

**Question 2: Serving the interests of the Scottish audience**

***How well is the BBC serving the Scottish audience (English and Gaelic speaking) and representing Scottish issues to the wider UK audience?***

The BBC should reflect on and improve its representation of the UK's nations and regions not only within the context of and for the benefit of Scotland and the wider-UK because that is one of its stated Public Purposes, but also alongside that improved representation, it should also develop strategic opportunities and the international potential of content made in Scotland thereby bringing commercial, economic and cultural benefits to Scotland. The BBC could do more to reflect the culture and creativity of the devolved nations and increase its commitment to minority language broadcasting in Scotland, Wales and Northern Ireland which has thus further capitalised on the rich creative resources available to be tapped and developed.

Scotland does not see itself or its culture, creativity and identity reflected and represented as much as it would like on network television; despite the fact that there is an abundance of world class talent and skill across its population and workforce and it should be used to showcase the strengths born out of Scotland's inherent diversity.

The international potential of content made in Scotland is also an opportunity for the BBC World Service which could be better developed; there are 28-40m people of Scottish descent worldwide, many of whom are hungry to connect with content from home.

Devolving budget and decision making powers to the nations and regions would help resolve this deficit and requires further consideration and dialogue.

### ***Could Scotland receive a fairer share of BBC spending?***

In a recent speech

(<http://blogs.scotland.gov.uk/externalaffairs/2015/09/30/fiona-hyslop-bbc-charter-review-stakeholder-event/>), Fiona Hyslop, Cabinet Secretary for Culture, Europe and External Affairs in the Scottish Government, called for a *greater proportion of the licence fee that is raised in Scotland to be directly controlled by BBC Scotland and spent in Scotland on original television content. Currently BBC Scotland spends £40-50m on production of television content, BBC Alba and the BBC Scottish Symphony Orchestra. These figures are under discussion between Scottish Government and the BBC in order to clarify and agree them.* The Cabinet Secretary went on to say that *if BBC Scotland had a much more representative share of the licence fee, which could see, approximately, an additional £100m available for production in Scotland, it would support the required development of the independent production sector and provide a significant economic benefit to Scotland and it is estimated that for each £100 million of production spend in Scotland, around 1,500 FTE jobs will be supported and £60 million will be contribute to the Scottish economy.*

The unnecessary squeeze on BBC resources at a UK level is likely both to reduce the scope for decentralised commissioning and resource allocation. It will also make it more difficult for public service broadcasting in Scotland to contribute to the development of a well-informed and creative society. The commercial market is unlikely to fill that increasing gap, and we would expect the gap for representation referred to earlier to increase rather than be reduced as a consequence.

The BBC could consider devolving some of its national services outside of London. The option of relocating BBC2 to Scotland was raised at a recent BBC Trust consultation event in Glasgow. Creative Scotland would welcome a move like this, but it should not be seen as a substitute for of a more decentralised approach to the governance, funding and commissioning power of the BBC.

The licence fee settlement is insufficient to ensure that the BBC's income is maintained and enhanced especially when coupled with the concessionary licences deal for those over 75. The current license system needs reform to ensure that a universal tax base guarantees the provision of a universal service, free at the point of delivery. There are a number of options available to ensure that the cost burden is equitably shared across the population as a whole. The increasing non-linear consumption of media demands urgent reform in the method by which public service broadcasting is financed.

The BBC needs a stable funding mechanism and a 10 year charter renewal deal. Any new licence fee funding mechanisms need to be properly considered in the context of social and economic access and inclusion.

### ***How well does the BBC support distinctive Scottish content and could it do more in this regard?***

London bias and the centralised commissioning and management structures continue to contribute significantly to the widening of the gap in representation in the nations and regions.

The vibrant levels of creative activity in Scotland, born out of a strong sense of cultural identity and confidence encouraged by increased political and financial devolution, may have heightened perceptions of a lack of representation. The social media backlash during the referendum because of the perceived lack of representation and lack of impartiality in news coverage may have helped fuel the widening of this gap.

UK political news and current affairs are perceived as predominantly relating to England, reflecting activities in Whitehall and Westminster, not the Scottish Government or Parliament or indeed Scotland's 32 local authority areas, including its 94 inhabited islands.

On a positive note, the BBC has admitted that there is work to be done and the recent appointment of Sarah Smith as Scotland Editor is to be welcomed, but this may not go far enough and does not require any changes through a new Charter, illustrating the fact that had this change been made previously then the issues could have already been significantly addressed.

Radio Scotland provides good regular Arts and Culture coverage via the Janice Forsyth show, but there is no TV equivalent. Anecdotally, factual programming, particularly specialist factual, is doing well, however, Scottish commissioned and produced programming, and especially scripted output, continues to have a very low presence on the network. Were commissioning control and a greater proportion of network budget to be devolved to Scotland, then there would be opportunity for more high-quality Scottish productions to enrich the UK network.

### ***How could the BBC enhance support and development of talent and skills in Scotland?***

The BBC has a wide and significant talent development and training remit and one that should not be underestimated because it is which something that commercial broadcasters cannot and do not prioritise. This priority should be reflected across the BBC's output and be relevant to the nation or region's diversity of representation. The BBC is a key player in providing support for and development of the arts and creative industries.

Talent Development needs to be relevant to each nation or region's diversity of representation. There also needs to be a better balance between the nations and regions of talent development opportunities within the BBC.

### **Question 3: Governance arrangements**

#### ***How could BBC governance be improved to enhance the Scottish voice?***

The BBC could consider devolving some of its national services outside of London. The option of relocating BBC2 to Scotland was raised at a recent BBC Trust consultation event in Glasgow. Creative Scotland would welcome a move like this, but it should not be seen as a substitute for of a more decentralised approach to the governance, funding and commissioning power of the BBC.

### **Questions 4: Cost savings**

***What would be the impact of any further cuts to BBC spending in Scotland?***

Television Drama can and has been commissioned locally but it is expensive to produce and under the current financial settlement it is unlikely that drama output from Scotland will increase. Commissioning power can only be effective if it is backed up by the necessary funding, which in drama and high-end entertainment can easily exceed £1m per hour.

**ENDS**