



**Scottish Parliament
Education and Culture Committee**

BBC Charter Renewal

MG ALBA Submission - 23 November 2015

1. Introduction

MG ALBA is short for Meadhanan Gàidhlig Alba (Gaelic Media Scotland) and is the operating name of Seirbheis nam Meadhanan Gàidhlig or Gaelic Media Service. Its statutory purpose is to ensure that a wide and diverse range of high quality programmes in Gaelic is made available to persons in Scotland by broadcasting or by other means.

MG ALBA delivers **BBC ALBA** (the Gaelic language television channel) in partnership with the BBC. BBC ALBA is the first partnership television service to operate under a BBC licence.

BBC ALBA is a success. Audience figures are strong, with over 700,000 average weekly reach (MG ALBA, 2015). BBC iPlayer augments viewing – 7.43m views in 2014 (MG ALBA, 2015).

BBC ALBA is an important part of the Scottish broadcast ecology. PACT (the Producers' Alliance for Cinema and Television) has estimated that BBC ALBA accounts for over 50% of all Scottish commissions by hour (PACT, 2010). The channel commissions 81% of its content from Scotland's independent production sector (MG ALBA, 2015).

The channel is funded as follows: £13.8m of MG ALBA funding, of which £12.8m is provided by the Scottish Government and £1m by the UK Government; and £8m of BBC funding, of which £6m was spent on content produced in-house, and the remaining balance on distribution, infrastructure and support (BBC Annual Report, 2014/15).

In this paper, we first set out the substance of our submission to the UK government's review on BBC Royal Charter renewal. We then consider the specific questions raised by the Education and Culture Committee.

2. General Principles

Two principles inform MG ALBA's response to the consultation on BBC Charter Renewal:

(i) the BBC is deficient in the way it is currently serving Scotland, and the BBC is deficient in the way it is currently serving Gaelic broadcasting. These are two separate issues; they should not be in competition in Scotland.

(ii) in order to address the current under-funding of BBC ALBA, and the audience deficiencies that arise as a consequence, the BBC must articulate a consistent philosophy on supporting its autochthonous language services across the UK as a whole.

2.1 BBC ALBA – Audience Deficit

The current funding of BBC ALBA creates significant audience deficits.

MG ALBA's statutory remit includes the provision of a wide and diverse range of high quality Gaelic programmes. Since the channel's inception, it has been the ambition for BBC ALBA to deliver at least 3 hours of original programming per day, in order to provide a full public service through the medium of Gaelic.

On current funding, only 1.7 hours of originations per day, including News, are possible. This compares to other autochthonous language services in the UK and Ireland as follows: almost 8 hours of originations per day on the Welsh channel, S4C (S4C, 2014/15), and 5 hours of originations on the Irish language channel, TG4 (TG4, 2014).

The lack of originations results in a high repeat rate. BBC ALBA's current repeat rate is 73%.

In addition to an unsustainable repeat rate, this funding gap creates significant deficiencies for BBC ALBA audiences:

- there is no weekend news available in Gaelic;
- there is a significant lack of original programming for children and young people;
- there are gaps in comedy, entertainment and programming for learners.

A full, comprehensive service for the BBC ALBA audience is therefore not possible under the current funding settlement. This deficit not only directly affects audiences, but also undermines the broader citizenship outcomes of Gaelic broadcasting, such as the channel's contribution to the normalisation of Gaelic and Gaelic culture in Scottish society, related uptake of Gaelic language learning, and the stimulation of digital engagement through the medium of Gaelic, particularly relevant to Gaelic speaking

young people.

It is MG ALBA's view that continued under-investment in BBC ALBA will put at risk the enormous achievements of the channel so far: audience fatigue is a significant risk. This has repercussions not only for the channel, but also for the BBC and the status of the Gaelic language in Scotland. The current funding model, whereby the BBC supplies 4.4 hours of originations per week, including News, served to establish the feasibility of the channel in its early stages. It is not however, a sustainable model. Nor is it a model which is capable of delivering the standards of quality and distinctiveness required of a channel which seeks to inform, educate and entertain Gaelic users in their own language.

2.2 *BBC ALBA – Parity of BBC In-House Contribution Sought*

MG ALBA has asked that the BBC in-house programming contribution to BBC ALBA's output be increased to match that made by the BBC to S4C, on the basis of a consistent BBC philosophy on supporting its autochthonous language services across the UK.

In order to address the audience deficits set out above, MG ALBA proposes increased BBC investment.

Specifically, we have asked that the BBC increase its programme contribution to BBC ALBA from the current 230 hours per annum to 520 hours p.a., or 10 hours of high quality programmes per week, to match that made by the BBC to S4C, i.e. 520 hours p.a.

2.3 *BBC - Consistency of Approach to Autochthonous Languages*

Decisions about the funding of BBC ALBA should be based on principles articulated by the BBC about its support of autochthonous language broadcasting.

It is MG ALBA's view that the time is right for the BBC to articulate a consistent philosophy on supporting investment in autochthonous language programming.

A set of guiding principles in relation to BBC autochthonous language services is necessary in order to provide a coherent framework for consideration of the questions arising in relation to these languages and their respective services.

Such coherence is particularly relevant as these services, such as BBC ALBA, mature, and as the diversity of the UK, and its constituent nations, continues to evolve.

Such principles would be cognisant of:

- the distinct circumstances of each language; and
- the distinct funding mix of each service.

Equally, however, MG ALBA believes that such principles should include:

- an articulation of a 'BBC autochthonous language service minimum standard', including the minimum number of originations per day such a BBC service will provide for audiences;
- an articulation of the objectives of such services, including cognisance of the impact such services have beyond linguistic function, as demonstrated in Scotland by BBC ALBA's significant success with the non-Gaelic audience;
- an articulation of the principle that the funding of BBC in-house programming for such services is separate to, and distinct from, the BBC's commitment to English- language programming in Nations and Regions. Clarity on this point is required to make clear that funding for BBC ALBA is separate from the allocation of funding to address the deficit in English language programming in Scotland, and that the allocation of resource to BBC ALBA is in no way detrimental to BBC Scotland's English language output; and
- a statement in relation to the PSB status of BBC ALBA in particular. Currently BBC ALBA is deemed to be a PSB by virtue of being a BBC channel, and not because it has PSB status conferred expressly by statute or by Royal Charter. This is inconsistent with other UK autochthonous language channels, such as S4C, which has PSB status conferred by statute. With that status comes the expectation of a comprehensive public service, including the full range of programme genres. BBC ALBA has no such status. The UK Government has adopted Article 11 of the European Charter for Regional or Minority Languages, including the obligation to provide a Gaelic language television channel. The constitutional requirement for the channel is therefore clear. The UK Government, Scottish Government and the BBC together fulfil this obligation through the BBC ALBA partnership. MG ALBA asks that the new Royal Charter be explicit about BBC ALBA's PSB status, and therefore the resources which underpin its delivery.

3. Committee Questions

In this section we answer the questions set by the committee.

3.1 Scale and scope of the BBC

How should the charter reflect the BBC's priorities and output in Scotland?

In our submission to the UK government's consultation we said the BBC's public purposes should have sharper focus. We specifically commented on the tightening of focus required around two of the Public Purposes: commitments to autochthonous languages, under Public Purpose 4; and on the BBC's role regarding the stimulation of creative capital, under Public Purpose 3. These points are pertinent to the Committee's question of how the charter should reflect the BBC's priorities and output in Scotland.

(i) Public Purpose 4. Representing the UK, its Nations, Regions and Communities.

MG ALBA believes this public purpose should be tightened to provide consistency and clarity on (i) the specific objectives sought by the BBC's autochthonous language services, and (ii) the minimum standard such services will provide.

(ii) Public Purpose 3: Stimulating Creativity and Cultural Excellence

The BBC's role in relation to stimulating the creative economy has historically been framed in the context of Public Purpose 3.

MG ALBA believes that sharper focus on the BBC's role as a facilitator for economic growth is required. MG ALBA believes this is particularly important in the context of Scotland, given the current weakness of its domestic content market.

BBC ALBA commissions 81% of its content from the independent production sector and is closely involved in the development of its supply sector (MG ALBA, 2014/15). MG ALBA is ambitious for the growth of its supply sector and its development strategy is focused on internationalisation – through co-production/co-commissioning and secondary sales.

MG ALBA's most recent economic impact assessment found that the total impact of MG ALBA was 290 FTE jobs, and GVA of £12.5m (Matthew, 2015). Of this, around 100 jobs are based in the Outer Hebrides and Skye, with wages above average for the area.

A clear statement about the BBC's role in stimulating the creative industries in the Nations is required.

We also make the following observations in answer to this question:

Scotland has a relatively low performance score in 'representing my nation/region in news/drama' (DCMS, 2015). In this context MG ALBA would like to emphasise the role played by BBC ALBA in Scotland. BBC ALBA enjoys consistently high appreciation levels, both within the Gaelic community, and with the channel's national audience.

Scotland, Age 16+	General Impression (mean score out of 10) Scotland
BBC ALBA (Scotland wide) Jan – Aug 2015	7.1
BBC ALBA (Gaelic community)	8.1

Source: BBC ALBA (Scotland-wide): TNS Scottish Opinion Survey for the BBC, 16+ adults living in Scotland, 2015. Monthly omnibus c. 1,000 respondents per wave. BBC ALBA (Gaelic community) by TRP panel of c. 350 16+, 2015

As noted above however, without further investment, it will be increasingly challenging to sustain BBC ALBA's appreciation ratings, and audience fatigue is a significant risk.

In the context of serving national audiences, we note the recent debate about English language provision in Scotland, and specifically the call for a separate, English language Scottish channel as proposed by Scotland's First Minister in the Alternative MacTaggart lecture at the Edinburgh international Television Festival in August 2015. We note too the BBC's proposal for the creation of an interactive digital service for each of the Nations of the UK (BBC, 2015).

MG ALBA recommends that discussions in relation to English language content in Scotland recognise:

- (i) the existing value and success of BBC ALBA, for audiences and for the development of Scotland's creative capital;
- (ii) the opportunity for BBC ALBA to collaborate, as well as compete, according to genre; and
- (iii) that MG ALBA has tested, and proved, the partnership model. This partnership model has proved good for Gaelic, good for audiences, and good for the production sector. Further partnership working has the potential to deliver more of these dividends.

A partnership strategic approach could also ensure that the structural barriers within Scottish broadcasting were addressed. This could include focus on content which (i) addresses public service content requirements; (ii) has the potential to be commercially successful on global markets – including through co-financing and co-production; and (iii) catalyses the development of the critical mass of skills and talent required for Scotland's creative industries' growth.

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

In answer to this question we first set out our observations on the Scottish context. We then comment on the specific BBC Studios proposals that we have assumed this question refers to.

Scottish Context

There are gaps in the evidential baseline in relation to independent production in Scotland. To our knowledge, neither the total spend for the independent production sector in Scotland, nor the total number of hours commissioned of the independent sector in Scotland, are currently published. This gap undermines assessment of the effectiveness of the current regime.

The domestic production market in Scotland is significantly smaller than in many other countries of a similar size. Further, the work, such as it is, is in great measure short-term work. MG ALBA applies two thirds of its content budget to multi-annual production deals with independent producers. This gives stability to the sector, allows for planning, for investment, for the development of skills and talents in a planned way. This "sow to reap" approach involves a great deal of mutual trust between

commissioner (MG ALBA) and producer, and by guaranteeing a certain volume of work, creates the conditions for the producers to develop their businesses, grow, and diversify their revenues. This cannot happen if the ecology is wholly “kill to eat”.

A mixed ecology is required. The current system of quotas for network supply does not foster the organic growth of the indigenous independent sector in Scotland, and arguably exacerbates the Nations/Regions portrayal performance gap that has been identified.

MG ALBA is ambitious for its supply sector and our development strategy has two principal objectives: (i) increasing the capacity of suppliers to co-produce/co-fund Gaelic originations (including other language versions for UK or international markets), thereby extending the impact of the existing public monies going into Gaelic broadcasting and drawing new investment into the sector in Scotland; and (ii) increasing the capacity of the sector to leverage its assets, including intellectual property rights. Internationalisation informs both these objectives. This will strengthen the sustainability of the sector. In doing so, MG ALBA is facilitating a culture of entrepreneurship and creative business leadership.

BBC Studios

We make the following general observations on the BBC Studios proposal:

- Consideration of production arrangements in a Scottish context are indivisible from a rigorous assessment of the effectiveness of the quotas and targets for Out-of-London production for Scotland and the other Nations.
- 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 the Scottish production sector. The Scottish sector is dominated by microbusinesses, including BBC ALBA’s suppliers. The BBC’s BBC Studios paper states that “This [the existing regulatory framework] was created for a very different UK market, to support an emerging independent production sector”. While these conditions may have changed dramatically in London, they have not done so elsewhere.
- MG ALBA does not object in principle to increasing market forces in BBC commissioning. In fact, the publisher-broadcaster model adopted by BBC ALBA - which sees 81% of the channel’s content commissioned from the independent sector - has demonstrated the powerful economic and creative effect such a commissioning model can have.
- Our contention is however, that without recalibrating the Nations’/Out-of-London quota system to ensure a more level playing field across the UK, the BBC Studios proposal risks further distorting the market. There is not currently a level playing field, and without that, we observe that the BBC Studios proposal could hasten the decline of the Scottish production sector.

- The Scottish sector is currently too weak to be able to compete in the more open market place that would be created, therefore the proposal 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.
- The BBC Studios proposal risks tipping the axis of relationships further in favour of London, to the detriment of the Scottish sector, an issue already identified in previous research of the Scottish sector (Ekos, 2013).
- Genre location can have a strategic impact on creative industries' growth. For example, the BBC's decisions on where to locate particular genres have the potential to shape the growth of a region/Nation's creative industries. We note this comment at Section 2.4 of the BBC's paper: "BBC Studios is likely to build on existing in-house production centres of excellence wherever it can. For example, Glasgow with its expertise in specialist Factual programming...". We would urge that such decisions by the BBC are made in full cognisance of their corresponding effect on growth. One-off factual documentaries will not drive growth of the creative industries in Scotland. Growth of Scotland's creative industries will come from higher volume, returning genres with commercial appeal in international content markets. Any decisions the BBC makes about genre specialisation at BBC Scotland will have a profound effect on the broader sector ecology within Scotland.
- The emergence in Scotland of a 'BBC Studios Scotland' would immediately create a strong competitor in the already fragile dynamic of the Scottish domestic marketplace.
- The framing of the BBC Studios proposal as set out in the BBC's paper makes several presumptions, including:
 - i. It presumes that the status quo in all the Nations, including Scotland, is an adequate building block for BBC Studios. Because of the deficiencies in the way the BBC is currently serving Scotland, we suggest that this is not a secure foundation.
 - ii. It presumes a hierarchy of production, with local production at the bottom. For example, the paper notes that 'local production can act as an effective training ground for producers looking to develop their careers'. While this is true, local production in Nations and Regions is more than the start of a sequence that culminates in London. We have urged the BBC Trust that a more lateral perspective inform the BBC Studios proposal, in cognizance of both the central role that local production can play in terms of representation, portrayal but also its role as an economic stimulus, domestically and for international growth. We have urged caution against the adoption of a perspective whose inevitable conclusion would be a

hierarchy of quality with local/Nations and Regions production at the bottom. The risk is that this will create a two-tier production system.

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?

No comment.

3.2. 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?

Scotland's relatively low performance scores in 'representing my nation/region in news/drama' have been noted.

We have also stated our position that we consider the BBC to be deficient in how it serves Scotland, and in how it is serving Gaelic broadcasting. We re-emphasise our view that these are two separate issues, which should not be in competition in Scotland.

We have outlined the audience deficiencies on BBC ALBA caused by under-funding. In order to address these, the BBC must articulate a consistent policy on autochthonous language services. Specifically, we have asked the BBC to increase its programme contribution to BBC ALBA from the current 230 hours p.a. to 520 hours pa, to match that by the BBC for S4C.

Could Scotland receive a fairer share of BBC spending?

BBC ALBA is currently underfunded, and this is causing the audience deficiencies we have identified above. We have asked for the BBC's investment to BBC ALBA to be increased to be consistent with that of S4C on in-house contribution.

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

In addition to increased investment in Scottish content, we consider the following relevant in this context:

- Assessment of the effect of the Out-of-London quotas and the extent to which they are structured to ensure portrayal of the diversity within the Nations, including Scotland, and the extent to which this intervention 'fits' microbusinesses, which dominate in Scotland.
- Assessment of the effect of genre specialism location. Scotland's track record is in factual documentary. Capacity in other genres should be developed both for portrayal and strategic growth reasons.

- BBC Worldwide currently takes little Scottish content and no Gaelic-originated content. In our submission to the UK government we made the point that the remit of BBC Worldwide should be framed in the context of the BBC's public purposes, specifically its to stimulate creative industries' growth across the whole of the UK, including explicitly supporting the growth and diversification of the creative supply sector in Scotland and investing in the internationalisation of Gaelic media content.

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

The strategic impact of investment in quality television should be noted.

For example, MG ALBA's investment in Young Films' drama, *Bannan* has an immediate impact in creating the critical mass of talent and skills required to precondition Scotland for film development. These strategic benefits accrue to all of Scotland, not just the Gaelic media sector.

In addition to the direct economic benefits and training benefits, there are social benefits to the broad footprint of MG ALBA's activities. These include increased self-confidence and pride at an individual and community level, and increased attachment of people to communities. BBC ALBA/MG ALBA investment creates opportunities for young people in particular, and their retention in peripheral areas is key to social and economic sustainability of fragile areas.

The Scottish content market is currently London oriented; by growing the domestic market through pursuing international co-production/co-funding and other commercial opportunities, the Scottish content market can grow. That will encourage talent retention. It is MG ALBA's contention that it can have an important role in facilitating such growth. Investment in Gaelic language broadcasting can facilitate the growth of the creative industries. While this growth is apparent throughout Scotland, there is significant cluster activity noticeable in Stornoway, Glasgow and Aberdeen.

3.3. Governance arrangements

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

MG ALBA supports a federated BBC structure, at the level both of governance and of management.

This would enable the following issues to be addressed:

(i) representation of the unique diversity of each Nation, including the role of Gaelic broadcasting - thereby addressing concerns over the perceived Scottish representation gap;

(ii) the concern over the relative weakness of the Scottish supply sector.

The Scottish Parliament and the other devolved institutions should be included in this relationship matrix. The BBC should be accountable to each in the respective Nation.

The governance, management and editorial control of the BBC should continue to be exercised independently and by reference to the principles laid down in the Royal Charter. Those principles should, implicitly or explicitly, be consistent with targeted outcomes agreed with the UK and Scottish Governments and the other devolved administrations.

The UK does not in any way benefit from the somewhat fractious relationship that governments and political parties sometimes enjoy with the BBC. The BBC has a journalistic obligation to “hold power to account” and, with Ofcom as the only regulator, the management of complaints, for example of misreporting or bias, would be subject to more straightforward, transparent procedures.

The same accountability expectations should apply to the BBC as apply to other publicly funded bodies, allowing for commercial sensitivities.

3.4. Cost savings

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

MG ALBA notes the cuts that have been implemented by the BBC over recent years in order to achieve the savings the organisation was required to make. These included cuts in Scotland. MG ALBA notes the tension between such cuts, and the requirement of the BBC to reflect the cultural diversity of all of the UK, including but not limited to its autochthonous languages.

MG ALBA warns against cuts which so weaken the BBC infrastructure, including its critical mass of skills, that the very cultural diversity which the BBC should represent is unable to be reflected. This risks the creation in turn of a homogeneous version of UK cultural life, rather than communicating and celebrating the richness of the UK’s diversity, including within its Nations and Regions. Where cultural diversity is, by default, inhibited, there are risks of inhibiting in turn the very citizenship outcomes sought by public service broadcasting.

On a separate point, the MG ALBA and BBC partnership has created a highly efficient operating model which has delivered value for money. The current funding model, however, is unsustainable, as indicated above: not only will the high repeat rates (73%) increase audience fatigue, but major demographic segments remain significantly underserved.

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