Digital, Culture, Media and Sport Committee

Oral evidence: The future of Public Service Broadcasting, HC 156

Tuesday 17 November 2020

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Watch the meeting

Members present: Julian Knight (Chair); Kevin Brennan; Clive Efford; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 538 - 631

Witnesses

I: Dr Caitriona Noonan, Senior Lecturer, Media and Communication in the School of Journalism, Media and Cultural Studies, Cardiff University; Professor Philip Schlesinger, Professor in Cultural Theory, Glasgow University; and Professor Jeanette Steemers, Professor of Culture, Media and Creative Industries, King’s College London.

II: John McVay OBE, Chief Executive, Producers Alliance for Cinema and Television; and Jacqueline Baker, Co-founder, B Inclusive Task Force.
Examination of Witnesses

Witnesses: Dr Caitriona Noonan, Professor Philip Schlesinger and Professor Jeanette Steemers.

Chair: This is the Digital, Culture, Media and Sport Select Committee and our hearing into public service broadcasting. Today we are going to be joined in our first panel by: Dr Caitriona Noonan, senior lecturer in media and communication at the school of journalism, media and cultural studies at Cardiff University; Professor Philip Schlesinger, professor in cultural theory at Glasgow University; and Professor Jeanette Steemers, professor of culture, media and creative industries at King’s College London.

They will be followed by a second panel, which we will name at that point, and then a private session at approximately 11.15 am, we hope. Before we start, I am going to ask members to declare any interests.

Kevin Brennan: I have an interest in that I have received hospitality from the BBC.

Chair: Giles Watling is not here at the moment, so he can declare when he joins and asks his questions.

Q538 Kevin Brennan: What are your views on what should be done to update legislation on prominence with regard to public service broadcasters?

Dr Noonan: Good morning, Kevin. There is prominence in two ways. First, there is prominence of BBC, ITV, Channel 4 and S4C services on other devices. We are living with legislation that is very much geared towards the EPG, and the EPG has become a less vital navigational tool in the TV ecosystem. We need to move beyond thinking about that. I would welcome Ofcom’s recommendations, although I recognise how complex they can be, particularly where we start talking about global devices and getting content on global devices.

If we think about how we access television today, we increasingly do it through iPads, through smart TVs, or we just click on apps for different services. Having that visibility, having that discoverability, is really critical.

It becomes even more critical when we think about, for instance, minority language services like S4C. We are moving into an era where it is not even just clicks anymore, it is voice activation. How do we find content that is not in English? I am talking particularly about the Welsh language and Scots Gaelic as well. That era of discoverability is something that we need to come to terms with, and I think some of Ofcom’s recommendations about prominence are really important.

Q539 Kevin Brennan: Obviously, the Committee has explored all of that. Practically, and perhaps I will move on to Jeanette, what are the sorts of things that perhaps ought to be done if we are working on the basis that we want to keep a public service broadcast or media regime of some sort in the UK? What could be done into the future to update prominence in
order to make that happen, given all the issues that Caitriona has just talked about?

**Professor Steemers:** It is a really complex issue, and I am going to talk to it from my perspective of children’s content. As you know, children are the sorts of viewers who are actively looking for things in different ways. YouTube is becoming a much more prominent way for them to find content. My view is that if content is being publicly funded by the BBC or by the Young Audiences Content Fund, we have to think about issues of prominence, about how children can find this content, otherwise it is a bit of a waste of public money.

I would back up Caitriona and say that the old system of having the EPG is probably not so great for young viewers, so we need to think of different ways of looking at prominence, and that might be on devices or on smart TVs. I am not a technical expert, but the people who control this are the manufacturers, so maybe that needs to be looked at, about what services they pack on to the television sets, the viewing devices and the other types of viewing platforms that people access.

For parents trying to find children’s content, for example, it is really important that they can find it, that there is discoverability. If stuff is publicly funded, we need to make sure that people can find it easily and that it is not lost.

**Q540 Kevin Brennan:** Philip, we know that the EPG, the electronic programming guide, is rapidly becoming not completely moribund but an outdated way of thinking about how people access content. Should there be regulation and legislation that ensures that, when people want to access children’s content, the news or something of that kind, they are at least offered up public service broadcasting content first and it is not hidden away and locked up in an invisible cupboard?

**Professor Schlesinger:** That is a really good way of phrasing the question. We need to stand back and ask, “Why prominence?” In the end, the question has to do with whether or not we think public service in the public domain is important. I certainly do and I think many do; therefore, its discoverability is the thing that follows from it.

I endorse what has been said before, for example, in terms of minority language. BBC Alba has problems being discovered. It is not just BBC Alba, it is also Scottish BBC channels that are not easy to discover if you are going straight into a smart TV. What has happened, and it has happened rather quickly, is that the smart TV has completely obliterated the EPG. You would not know it was there. You would think you were going on to Samsung TV or something like that.

We really need to go back to first principles and reaffirm them and say this is important. We need to invest in the accessibility of public service content. How do we get it? Clearly, I would not have the technical knowledge, but talking to TV manufacturers is one way forward. Beyond the technological question, there is another question to do with the wider media literacy of the public. We have generations that are growing up
with a very different kind of map in their head from the one that I grew up with or Caitriona or Jeanette grew up with. We are in a different game, and we need to go back to fundamentals, starting with the principles and asking how we can facilitate all these things by quite a focused negotiation on this question.

**Dr Noonan:** When we talk about device manufacturers, we need to think beyond the UK in many of those things. We are looking at a European-level discussion, rather than the UK, for that level of policy making. There is also a question about prominence in relation to who has funded the content, and Jeanette mentioned that as well. One of the things that we have seen now, for instance, is that Netflix is putting the BBC logo and the Channel 4 logo on its content. Making sure that viewers know that that content, although they are watching it through Netflix, has been funded by public funding is really important. We have the logos on it, but going a step further and having something that says, “This is publicly funded by” or, “This was funded by” whatever organisation would be another way in which we can make that public investment visible across lots of different spaces.

**Q541 Kevin Brennan:** As a final comment, I was certainly not in favour of Brexit, but now that we are no longer in the European Union surely we are free to legislate as we please about devices and consumer regulation. For example, we could legislate to say that there must be a public service button on every remote control device, as there is a Netflix button and an Amazon Prime button, which is paid for in our commercial contracts with television manufacturers, and similarly require voice-activated devices to default to public service broadcasting, if we value it. As an independent country, as we now are apparently, we are free to legislate on these issues, so we do not have to worry about the European context anymore. Am I right?

**Dr Noonan:** I absolutely agree with you, but from a market point of view the manufacturers will probably come back and say it is not financially viable for them to create a service or a remote control just for that.

**Q542 Chair:** To drill down on that point, should we be looking beyond TV manufacturers? Kevin has just referenced smart speakers, but the idea of your big Samsung TV on the wall, is that really going to be the case in five or 10 years’ time? Caitriona, you are nodding.

**Dr Noonan:** I am nodding because we are increasingly moving beyond just TV. I think about my students and about the young people I engage with and how many of them spend a lot of time on their phone. Here we are moving beyond Samsung to talk to Apple and all the other phone manufacturers as well. They might not want the entirety of their TV, but often how they engage initially with television content or with content from broadcasters comes through that vehicle. I think you are absolutely right, Chair. There is then that extent in terms of the different kinds of devices and the different kinds of spaces, and it becomes even more complex in terms of the markets that we are talking about.
**Professor Schlesinger:** To add to that, and to pick up a point that Caitriona made, I think branding is absolutely key. I remember when I was in Italy in the 1980s that branding on the TV was something I had never seen before, but it was there because there was a rather chaotic set-up, so you did know who had originated the programme or at least who was broadcasting it. We have to find multiple ways of making the accessibility of public service broadcast content available.

**Professor Steemers:** The other thing is it works both ways. The broadcasters have to do something as well. I find it quite frustrating sometimes that, for example, the BBC has its channels, but it needs to operate on different platforms to try to promote some of that content, particularly to children. I was thinking recently about Newsround, where they reduced some of the productions they do for Newsround by quite a few hours. Originally in their proposals for Newsround they did not have any plans for YouTube or any of the social media platforms, to try to get that stuff out there so that children could find it. They have since changed that view, and I think Newsround has a much stronger presence on things like YouTube.

I think it works both ways for access, discoverability and prominence in that the broadcasters themselves need to make sure they are promoting themselves on as many platforms as possible. That might not mean putting all the programming out there, but they need to engage and cross-promote on their platforms. For example, you never see much cross-promotion for children’s content on the BBC’s mainstream channels. As I said, it works both ways.

**Chair:** It is an interesting point you make. I think the root of it is probably economic relationships, in that they are still trying to find their feet in how you monetise and gain value for it.

That brings me on to one final question before I hand over to Damian Hinds. Jeanette, you may want to pick this up first. You just referenced YouTube. Is there a way in which algorithms play a major role in prominence?

**Professor Steemers:** Yes, certainly in YouTube they do. Again, I am going to reference children’s content. YouTube has taken a step back with children’s content. It received quite a large fine last year because it had infringed COPPA rules, and now it has pulled back. People who are doing children’s content, for example, have to notify that. They are not allowed to collect data on that content, and they are not allowed to have the comments section open. I think that is the difference. It is a slightly specific approach to children’s content, which has been forced on YouTube because it was subject to a recent fine.

**Chair:** That is not specifically the point. The point I am trying to make here is, when social media platforms themselves—the shorthand is YouTube in this respect—have this content, should they be compelled to have their algorithms overseen and to guarantee that their algorithms will give prominence to public service broadcasting?
Professor Steemers: That is a difficult question to answer. It is a really interesting one, but nobody knows how those algorithms work. It is their secret sauce. It is their special way of monetising their own content. I think those platforms would be very opposed to restrictions on how they effectively run their business.

Chair: I am sure they will be opposed. They are opposed to everything, but it does not mean it does not happen.

Professor Steemers: I think that would be quite difficult. These operations, YouTube for example, are transnational. I admit that I probably do not know much about this, but I am not quite clear how you would regulate for that. Maybe the others have an idea.

Chair: Is it possible, for example, to say to YouTube that, when it is effectively providing content in the UK in terms of news and children’s programming, it should be giving due prominence to public service broadcasting when people put their searches into the engine?

Professor Schlesinger: I think the question you are posing is on the regulation within a country of destination. It presupposes something else, which is whether there is the will to try to regulate across the piece, in other words to level the playing field between public service broadcasting and the SVODs in certain respects. Obviously, they are different things, but in terms of what arrives here, what we consume and how we consume it, and the kinds of preference machines, which is what they are, algorithms are simply ways of prescribing. If we think there needs to be discoverability and the ability to work that on the technology, I do not see why it should not be within the systems of prescribing as well. That would be a very tough negotiation and, in the end, it would depend on the value of this UK market to the SVODs. I do not see why that should not be opened up as a possibility, otherwise I do not see what leverage there is over the flow of content, particularly if public service content is to be given some kind of preferential position.

Damian Hinds: What does public service mean to you in the phrase “public service broadcaster”? What is the service? Is it something to do with correcting market failure to produce quality, or is it something to do with equality of access to entertainment, to sport? Is it to do with the public value of truth in news, is it something else or is it all of those things mixed together?

Professor Steemers: That is such a big question. That is something most of us have been tackling all our academic lives. I remember presenting something about this to Philip when I was a PhD student over 30 years ago. I would say it includes all those things. Access is really important. Everybody should be able to access it free at the point of delivery.

Covid has thrown up a lot of the difficulties with access in terms of schooling and stuff like that. We have been doing a bit of research with schools, and it is amazing to find out that they say up to 15% or 20% of families do not have wi-fi at home, that they cannot afford subscriptions
or that mum has a pay-as-you-go mobile phone. Free at the point of access is really important. At the moment it might seem old-fashioned and a bit rubbish, but TV is generally free at the point of access, assuming you pay your licence fee, of course.

The other thing I would say is that there are more ways of looking at this. You could have a really narrow view of public service broadcasting, which is the American view, the PBS view, where you either just do stuff for the under-6s, like Sesame Street, or you do it for the over-50s, like Downton Abbey, or you do a bit of news.

That is the really narrow view, or you do it the British way, which has always been a very broad amount of programming. We always talk about entertainment, information and education. One of the things we never really concentrate on is entertainment and how important that is, and how important it is in connecting with a broad scope of people in the UK, not just white, middle-class people living in Cambridge but people living across the UK, people who like to watch EastEnders, The Great British Bake Off and Neighbours on Channel 5. That is really important, and those decisions about what type of public service broadcasting you want, whether you want this really narrow view or this broad all-encompassing view, is something we are debating now. The views on that are quite split, but I have probably said enough now.

Q548 Damian Hinds: Philip, do you remember some aspects of the essay you were read some years ago? Do you want to add to that?

Professor Schlesinger: I am sure Jeanette’s essay was very good. It is an interesting question, and it opens up a lot of other issues. You could start off by citing the Reithian triad that was the foundation of the public service principle. If we look at this historically, we have to see what we think public service broadcasting is, as something that is periodically negotiated. What this Committee is doing is precisely looking into this question at one of those moments when what we think the boundaries and the content of public service broadcasting or possibly public service media are is once again being renegotiated.

One of the big historical turning points was in 2004 when Ofcom formally defined what it thought public service broadcasting is about. If you look at successive BBC charters, you find that they establish a different range of values that the BBC, for example, is supposed to be pursuing.

What it is about is what we think is important at this time and what we want to retain of what there has been. I think what this Committee and the House of Lords have done, along with the wider public debate that is going on now, is absolutely crucial in looking at those parameters. If I were to state my preference, I would certainly want public service broadcasting that is entertaining. There is the sense that it should be telling stories about us all. That is in the BBC charter, and I would want a public service broadcasting that is a place that people can go to for some kind of measured view and some kind of view that is common across the piece. Those are very fundamental values. How we operationalise that is
another question, and clearly we are now in new circumstances where precisely how it finds its way to younger audiences, what the scope of it is, all of these questions are in some sense up for grabs, but there is a historical weight that I think will continue to play a role.

Dr Noonan: I will very quickly come in on that, because both have said a lot of what I wanted to talk about, but there is a distinction between the public service ethos and the institutions that deliver it. Often when we talk about public service broadcasting, we collapse the two. That has been natural in terms of regulation over the last few decades, but there are also times when it is useful to separate those two things in terms of the public service ethos we might have, as Jeanette and Philip have both said, around universality and diversity.

The institutional question is also a separate but important one. For me there are two principles there that are really important. First, there is pluralism, a mixed economy of public service broadcasters and suppliers. The second one is around accountability and the value of accountability in a media landscape that is often unregulated in some places and in some institutions. We have regulatory levers and we have forms of governance that allow us to intervene in this media market. That is a really important asset and a really important part of the landscape here in the UK.

Q549 Damian Hinds: Philip, in the case of drama, only one part of it, do Netflix, Amazon and Sky basically believe that the market can and will provide quality? I think many people were surprised by people’s willingness, at different income levels, to pay for quality television.

Professor Schlesinger: Yes, there is absolutely no question but that you can get some outstanding drama from Netflix, Prime and Sky. No question whatsoever about it. That is extremely welcome. If the point is whether you can get quality anywhere if you are willing to spend enough and you get the talent, the answer is yes. That does not mean we should not seek to have it publicly accessible through publicly regulated media as well. I think the two are not incompatible. There is a certain complementarity, but I do not think there is a displacement of public service principles and public service institutions by the mere fact of the discoverability of high-quality drama on Netflix, which I certainly view, as I do Prime.

Q550 Damian Hinds: Sorry, I am conscious of time. If you have a channel, a media property, that has attracted people for the quality of its content, does it have a responsibility to incidentally expose people to news and current affairs? Does anybody have a view on that? The point being that one of the features of BBC and ITV historically is that you will stumble across the news every so often. You can watch Netflix for a whole weekend, binge watching series, and never come close. Does anyone have a thought on that?

Professor Steemers: We know that Netflix does great drama, but Netflix says that news is not what its business is about. It does not do news, it does not do sport. That is its money-making thing, to do
fantastic, high-quality drama, but that is not what public service broadcasting is about. We expect more from them.

The other thing I wanted to point out is that there is a certain fluidity as well, because the BBC in particular has worked with Netflix and Amazon. They learn from each other and they benefit from each other. What the public service broadcasters in the UK are doing, and I would put ITV and Channel 4 into this as well, is that they can offer at times a different type of drama. The sort of stuff that Netflix is doing is appealing to a transnational audience. I expect the BBC or ITV to do some of that—sometimes they might do it in partnership with Netflix—but I also expect them to do dramas located in the east midlands or wherever, which appeals to all of us as well, but probably would not do so well in the international market.

Q551 **Damian Hinds:** Back on definitions and high-level principles, one of the questions we keep coming back to on this Committee is the question of balance between content and curation. If you are a public service organisation, is your core business to make stuff, good stuff, no matter where it appears, or is your core business to gather together good stuff from wherever it comes and serve it up in one place?

Dr Noonan: This is a difficult one. I am drawn here to genre, and I think we are collapsing a lot of the discussion in the entirety. Here there is perhaps a distinction between drama and news, which I feel is the most obvious one. As Jeanette said, there is the universal appeal of something like *Stranger Things*, but you also want *Derry Girls* and *I May Destroy You*, which are very culturally specific.

When we talk about news, and here we go back to prominence, one of the things that has been illustrated during Covid is how much people trust the public service broadcasters in relation to news. That has been a really important feature of our media landscape. We want to make sure of the prominence of their news reporting on Facebook so that, as I am scrolling, I am not just seeing random people talking about the threats of 5G, and vaccination will be the next thing. For me there is a question of genre and where we get certain things. That is where I would go with this.

Q552 **Damian Hinds:** Jeanette, when you were talking earlier about children’s content and the need to be on every shelf, effectively, and the biggest shelf is YouTube, with kids do you think the battle is now lost? Is there any point in BBC, ITV and Channel 4 trying to get kids to come to their own, owned channels? I do not mean channels in just the old capital-C sense of the word, but their online property. Do we have to cede that ground and say, “I am going to produce great kids’ content and stick it on YouTube”?

Professor Steemers: No, absolutely not. If they stop making children’s content, they might as well pack up and go home.

Q553 **Damian Hinds:** I would not say stop making children’s content. The question is where it appears and, in fact, has already been lost or is on its
way to being lost in terms of getting kids to come to your own, owned channel or property and rather put the stuff on YouTube or whatever else comes next.

**Professor Steemers:** No, I do not think it has been lost. You also need to look at the children’s audience as being quite diverse. What a three or four-year-old is going to watch is quite different from a 12 or 13-year-old. What you get at the beginning, when children are very small, is that their parents have greater control over what they watch, so things like CBeebies or Milkshake!, the premier public service brands, do really well. Milkshake!, for example, has been investing a fair amount. It has been making use of the Young Audiences Content Fund. CBeebies does very well, it is incredibly trusted. Whenever there are surveys, parents like it. The difficulty comes when children start doing their own thing, so increasingly younger, from about eight or nine, and they start moving to other platforms.

I do not think it is lost. In a way, I feel very sad sometimes about the commercial PSBs, that they stopped doing stuff for kids and then said it is not economically viable. If you do not offer it to them, they are not going to come. I think Channel 4 is doing quite a lot to rectify that with older younger audiences, and there has been some success there. They are also engaging much more with social media.

The Young Audiences Content Fund, as you know, has been set up to fill some of those gaps. It is still a bit too early to say how well that has performed, and it has been slightly disrupted by Covid, because a lot of the shows they want to do, like live action things, they cannot film at the moment. That is a really interesting experiment in the children’s sector. It is limited to broadcasters, so it has to be freely available. The difficulty there is sometimes persuading the commercial PSBs to engage, but they have done. They have funded new projects, and the fund has put up some money. Maybe that is a question for later, on the future of the fund and whether it sticks to kids or is expanded to other genres. Personally, I would prefer it to stick to kids, but that is my own personal preference. The politics of it might make that quite interesting in the future.

**Q554 Damian Hinds:** My last question is to Philip, and I would like to put in the form of a proposition. You were speaking earlier about media literacy. There is some reason to believe that, when we promote media literacy, some people end up distrusting everything, because you end up taking everything apart. The proposition I want to put to you is whether we should instead be encouraging children to value brands, trusted brands, not brainwashing them about what those brands should be. You can pick *The Guardian* or you can pick *The Telegraph*, but to know that there is something special about being a brand with decades or hundreds of years of history built up in trust, to encourage them to be drawn towards sources they can believe in?

**Professor Schlesinger:** That is a really interesting question. When you raised the issue of curation, I put down two things: branding and channels. We are not really in a post-channel set-up yet, but clearly
brands are key to following through content as it is distributed by different means. I think that would be a very sensible way of doing it. It is a kind of shorthand, but obviously, in order to understand the shorthand, you have to be quite a consumer and you have to gain value from it, otherwise you simply will not think the brand is worth following. It presupposes quite a lot but, as a way into the problem, it is a really good suggestion.

Chair: I am going to call Giles Watling but, Giles, you will first want to make a declaration of your interests.

Giles Watling: Thank you very much. I need to declare an interest in as much as I am in receipt of royalties from various television companies, not nearly enough but I am in receipt occasionally. I have been offline for a while, as I lost my internet content, but I am sure the Chair will correct me if I repeat anything that I have missed.

This one really is for you, Jeanette. You said that the ban on junk food advertising dramatically reduced the production of children’s broadcast content, leaving the BBC largely standing alone. What do we do about that? Have we thrown the baby out with the bath water?

Professor Steemers: That is not going to come back. Nobody is going to say, “Oh, let’s bring back adverts,” so that has gone. This is a long time ago, back in 2006 or 2007, but it certainly withdrew their appetite for doing children’s content. They have no way of paying for it, because a lot of the adverts around it were for fast food outlets.

We are seeing that again moving into the online sphere. Talking to producers, it is really difficult for smaller producers, they have morals and stuff—

Giles Watling: What I am driving at, very simply, is that having been removed, as you say, some time ago, has there been creative thinking about computer games or other things of interest to children that might be advertised alongside such content? That symbiotic relationship between marketing and production of children’s content will go on, and I wonder if there has been creative thinking on it.

Professor Steemers: Absolutely. I think the creative thinking has really come on the regulatory side since then, to try to balance that. The introduction of the Young Audiences Content Fund has mitigated that, as have children’s tax credits, to try to fund it. I am sure that the sales departments of the TV companies look at all different types of advertising that they can use to fund children’s content, so you see a lot more things aimed at families. Sometimes when you are looking at some channels you see a lot of quite strange adverts for older people, funeral homes or whatever.

I have no doubt that the people in the sales departments are very inventive in trying to find alternatives, but that took a big chunk out of it. The McDonald’s of this world, the chocolate companies, they pay big money and in this country they have been struggling with it for a long time. Internationally, it is like that across Europe, and you are seeing it
move into the social media space as well, because it is a serious issue and it is something that, politically, you cannot fight.

Q557 **Giles Watling:** Are you, on the whole, supportive of the junk food ban in advertising around children’s content?

**Professor Steemers:** Yes, because otherwise that would not be good for me, to say it should come back. It is the right decision.

**Dr Noonan:** Waving the flag for Wales, S4C is the second biggest investor in children’s content. One of the things they have done, which has been really interesting, goes to your point about the migration between what we have known as television content and gaming, and I think that is going to be a really important space. How do we encourage children to consume content if they are on computers and things like that? One of the ways we can think about it is in the frame of gaming. That needs a lot of investment and new skills, so I think that, as a space, will be something that we will see a lot more of in the future. The broadcasters are trying to do that, but it will become much more natural and routine in what they are doing.

Q558 **Giles Watling:** In that way, could we increase what is now a limited range of children’s programmes to help children understand the world around them? I think those were Ofcom’s words.

**Dr Noonan:** In terms of gamification, how we encourage children to accumulate things like language and how we educate children, there are ways in which we can think creatively. Producers are already thinking creatively about how they cross those borders between what we regard as broadcasting and what we regard as gaming in a different kind of sphere. The porousness of television is becoming critical. That is not just in children but across the board.

Q559 **Giles Watling:** From what you are saying, the direction of travel is positive from the production side.

**Dr Noonan:** Yes.

Q560 **Giles Watling:** That is good to hear. Can I move on quickly? Jeanette, you touched earlier on how the Covid-19 crisis has impacted the way in which children and younger audiences are interacting with PSBs. How much has it affected that interaction, and what evidence do we have?

**Professor Steemers:** There was quite a lot of very quick research done during the Covid crisis. I do not have it to hand, but there was evidence that families and children were using more of the free video-on-demand from the BBC and ITV. I do not know how well that has been sustained. I think Ofcom has done some research since then to show that it has pulled back a bit. It is something where we do not really have any definitive answers, but it is something that we need to keep looking at quite closely.

Q561 **Giles Watling:** So that is something we need to keep our eye on. You called for regulatory intervention to improve the provision for children.
Can you drill down a bit? What sort of regulatory intervention would you envisage?

**Professor Steemers:** Is this the statement I sent back in March? It was such a long time ago.

**Giles Watling:** Yes, it is. It is exactly that.

**Professor Steemers:** What did I say?

**Giles Watling:** Let me look at it. It was your submission to the PSB inquiry and you said that content reflects the diversity of children’s lives in respect of age, gender, class, ethnic background, ability and location and that we needed regulatory intervention that was proportionate to ensure that the provision of children’s content benefits all children living in the UK. I wondered what you meant by “proportionate”.

**Professor Steemers:** You do not want to overregulate things, otherwise you will have the opposite effect. You will drive people out of the business. A lot of the content that is provided in public service broadcasting for kids is now largely provided by independent producers. You need to make it possible that they can still do business.

When I am talking about proportionate, there are some things that need to be there. The BBC is a public service broadcaster and it should have quotas. At the moment I think it has origination quotas of 400 hours for the CBBC brand and 100 for the CBeebies brand. They are getting public money so they should be regulated.

That regulation has become much less for the commercial PSBs, so there are no longer quotas on those companies. I think Ofcom has done that kind of carrot and stick thing, thinking carefully about how they could work with the Young Audiences Content Fund and saying to them, “You need to up your game, otherwise we might come in and think about regulating you more.” To a large degree, they have risen to that challenge. If you look at the Young Audiences Content Fund, you can see that they are engaging with that fund and they have done new commissions. They are benefiting from public money. If you get something from the public purse, you need to give something in return.

When I say “proportionate”, you must not have too many rules but certain players in the public service spectrum need more rules than others. I would say that the BBC is probably one of those.

**Giles Watling:** Are you saying that Ofcom is about getting it right?

**Professor Steemers:** Sometimes. I do not think it was right on Newsround, but that is my own view.

**Giles Watling:** One final question for all three of you, and I would be interested to hear what you have to say. Should PSBs be concentrating on placing more of their content on other services like YouTube, Facebook and so on?
Dr Noonan: I think they need to be careful about it. It goes back to Damian and Philip’s conversation about brand. Where does the brand association get attributed? I am cautious about it, and I think there has been a bit of a sea change. Once upon a time, a lot of BBC content was going on to Netflix and that was really important, but as they now develop their own offering around BritBox and things like that, there is a little bit more caution about that delivery.

It is a balance, and they still need to go where the audience is. If the audience are on YouTube, TikTok or whatever the platform is, there is a sense that they need to go there as well. It is a little bit of a balance, but that conversation about brand becomes more and more important as a route to finding the content that we trust, the content that we want. We are likely to see a change in some of the strategies for some of the broadcasters. I think they will recognise, perhaps particularly the BBC, that they have helped Netflix get a foothold in a market that is perhaps detrimental to them.

Q564 Giles Watling: It is more reactive than proactive, so the broadcasters are following the trend?

Dr Noonan: They are, but they are recognising some of the limits of that trend in terms of their long-term loyalty and things like that.

Q565 Chair: Do you think BritBox has worked?

Dr Noonan: I don’t know. I don’t know what the data or the numbers have been on it, but it is an important question that we need to ask relatively soon because we have seen, for instance, the likes of Netflix and Disney gain ground over Covid, so I would be interested to see what the numbers are on that.

For me, BritBox—and this is just a personal observation—is much more an international service than it is a UK service, or it should be much more orientated towards an international market than it should be towards a UK market. You potentially end up cannibalising your own market if you—

Q566 Chair: You mean iPlayer for domestic and BritBox for international, that sort of thing?

Dr Noonan: Exactly. Anecdotally, and I do not have any data on this, my students, 18 to 22-year-olds, are not talking about BritBox or subscribing to BritBox in the way they are to Disney and Netflix.

Chair: That is a very similar experience to me.

Q567 John Nicolson: Maybe I should make a declaration since we are talking quite a lot about Newsround in this session, which is that I was screen tested for Newsround as a presenter. I was rejected, I was told that I wasn’t boyish enough. I was 23 at the time, and the person who rejected me as not boyish enough was the then editor, John Craven. Not that I am bitter or hold that terrible memory close to my heart.

Philip, I will come back to you. Let’s talk a little about languages and Scottish broadcasting initially. You said that Scottish TV channels are not
easy to discover. What did you mean by that?

*Professor Schlesinger:* If you were to go to BBC One on a smart TV, you do not instantly discover the Scottish opt-out, for example. You just get told it is not available. That is what I had in mind.

Q568 *John Nicolson:* Right, because, of course, there is a separate Scottish TV channel, BBC Scotland, and you know what it would tell you in response to what you just said. I can just hear its press officer phoning me as we speak. It would say that BBC Scotland channel is the most watched channel in Scotland after the five terrestrial channels. It gets more viewers than Sky, Netflix or anybody else. It would say that it is successful. I suspect it might agree with you, although it probably would not say it publicly, that it is quite hard to find.

A predecessor Committee, for the reasons you have just identified, recommended that BBC Scotland run its own separate 6 o’clock news, a Scottish Six. We all know the arguments for that. Quite often if you sit and watch the news, you are listening to English health, English education, English transport before you get to a story that is relevant to you. A newspaper in Scotland would never dream of doing that, nor interestingly does BBC Radio Scotland. The fudgy compromise was to have a separate Scottish *The Nine*, which I think is a terrific programme, but people who are not warmly disposed towards it will point out that its viewing figures are relatively low. It sounds like you would probably support it, I am guessing, and say that is maybe because of where it is placed.

*Professor Schlesinger:* You have wrapped up quite a lot in that question. I think the placing is probably not the best to catch the teatime. It is a choice, isn’t it, between the teatime and the 10? This is old hat because there are diminishing numbers who are watching news in that scheduled way. I do not think it is a good placement, I have to say. It is certainly different from other BBC broadcasts in Scotland, from *Reporting Scotland*, for example, and certainly different from the 10 o’clock. It does bring something new to the party, but I do not think its positioning has been to its advantage.

Q569 *John Nicolson:* It seems quite young and fresh to me, but I am speaking as someone in the prime of middle youth, so I may not necessarily be the best person to talk about that. Do you think we are all looking at this from the wrong perspective? Are we worrying about traditional battles for traditional older audiences, and maybe we need to think afresh about the next generation and how they are going to access their news? It would not necessarily matter whether it is on BBC One or BBC Scotland.

*Professor Schlesinger:* You need to keep in mind the whole range of viewers. Certainly the positioning of *The Nine* on BBC Scotland has its historical battle scars. I don’t need to tell you what those are. I think that had to be part of the calculation, and also moving to a channel at a time when distribution has obviously shifted and the way in which consumption has shifted, particularly in younger demographics, raises its
own questions whether that was the wisest thing to do. I am not sure that everybody who is associated with the decision-making process there would say it was the wisest thing to do. The jury is still out on success of that channel, really.

Q570 **John Nicolson:** There are still some discussions going on about whether, because the news programme has been seen to be successful, it should be tried out at 6 o’clock on BBC One, which seems to me to be the logical next move.

**Professor Schlesinger:** It is not clear that the Union would fall if that happens.

Q571 **John Nicolson:** You have not been listening to some of our political opponents who say it would be an hour of SNP propaganda. I suspect they had not briefed themselves on the Ofcom rules when they rushed to speak to *The Daily Mail* about that. *The Daily Mail*, of course, has a separate opt-out *Scottish Daily Mail* while attacking a separate opt-out BBC Scotland news programme, but I will let that stick to the wall.

Could we have a brief chat about minority languages? Are we doing enough under the current model to support minority languages? You mentioned BBC Alba earlier on and there is Gaelic broadcasting, but we know that Irish and Scots are not particularly well served. The Council of Ministers said the UK had failed to uphold its treaty obligations to promote minority languages. With numbers of Gaelic speakers on the decline, Welsh just about holding on and Scots not really being given a look in, what can we do to reflect the rich culture of languages across these islands and make sure that they survive and are represented in broadcasting?

**Dr Noonan:** We need to recognise the particular structure of S4C, for instance. While I welcomed a lot of the recommendations made by the Lords, I think it was an oversight that they did not mention that the TV licence pays for, or will pay for, S4C. If we are discussing anything to do with funding, we need to bear in mind that it has an impact on S4C as well. There is a question of the funding and ensuring there is stability and continued funding of those services.

As I mentioned earlier, there is the risk of digital extinction for many minority languages; again, there is the idea of where minority language fits within the discussions around discoverability and prominence. How do you verbalise, or how do new people to the language find the content? That is something that has been overlooked.

Q572 **John Nicolson:** You posed the question. Can you tell us what the answer is?

**Dr Noonan:** Is that a different Committee, a different inquiry? It is difficult to know because, again, you are going back to the device manufacturers. Alexa has X number of languages. What has been interesting is how different groups have crowdfunded and crowdsourced, for instance, subtitling and things like that.
The other point I would make is that Welsh language content is potentially not just of interest to Welsh-speaking people. There are often subtitles. We have seen, for instance, the success of Keeping Faith—and Hinterland as well—as Welsh-language drama that has travelled within the UK and beyond the UK. The idea that minority-language content is only for the people who speak that language is something that we need to undo a little in the current system.

**John Nicolson:** I feel we could continue with this fascinating conversation, but I am going to hand back to the Chair.

**Q573 Damian Green:** Good morning, everyone. I mostly want to ask about rights and indies and so on. Something that has come up in the discussion that seems to me to be interesting is that one of the defences of public service broadcasting, the way we fund it and all of that, is that it will dare to fail, it will produce dramas that are hugely successful precisely because they are edgy and difficult.

*I May Destroy You*, which Caitriona mentioned earlier, is a prime example of that. It was produced by the BBC. Until I read the papers for this session, I had assumed the BBC had commissioned it, as that is the system as we had always known it. In fact, I discover the only reason it was on the BBC is that Netflix wanted all the rights and Michaela Coel wasn’t going to let them do that. That suggests to me that Netflix and presumably other SVODs might well say, “We are quite happy to produce edgy British drama that will either be brilliant or, in some cases inevitably, fail badly.” Is this traditional bit of the defence of continuing public service broadcasting now weaker than it was before? Are there people out there who will take risks on British drama in a way that maybe they would not in the past? I appreciate it is a very broad question.

**Professor Schlesinger:** Yes, I think what lies behind your question, and it is an interesting example, is why people want to retain rights. Why they want to retain rights is because they secure some kind of future income stream. If they basically sell everything up front, that is it. They may get a larger sum, but they do not have anything in the future that could sustain other productions and give them an income over a longer time. That model has come out of the 2003 Act, and the terms of trade have obviously been negotiated in the light of that.

There are certain conventions that apply to the independent broadcasting sector as it is now constituted in the UK. The question, which I think lies behind your question, is whether that should be carried over into negotiations with SVODs. That is an interesting question. You are not going to reproduce the set of relations that you have between public service broadcasters and indies in relation to SVODs, but there are still questions about what rights should be handed over in receipt of a one-off payment on the purchase of the production.

It is an important question, because it has long-term implications for the production culture in the UK and the economics of production. Yes, of course, you might get risk taking in that area, but you might get a
different rights regime, I suppose, to put it in a nutshell, and that has consequences.

Q574 Damian Green: Caitriona, on the original question, have we moved on from only PSBs being trusted to take risks with British drama?

Dr Noonan: Absolutely not. I think your example is a good one and we have seen lots of examples where commercial broadcasters have done excellent work; for instance, the contribution of Sky Arts to the arts culture in the UK, some of the David Attenborough programmes on Netflix. I don’t think there is necessarily an exclusivity around public service content on public service broadcasters, what I think is distinct is the scale and consistency of that service and the fact that it is not just a one-off to appeal to subscribers. It might do, it might appeal to certain subscribers, but it is around the consistency and the continuing pipeline of content that comes through public service broadcasters at different scales.

It is not just the high-quality drama. Mid-range dramas are an important space, particularly for regions like Cardiff where a lot of the professionalisation and the development of the television sector comes. Those mid-range dramas like Casualty and Holby City are not the things Netflix is necessarily going to commission.

Q575 Damian Green: Jeanette, does that apply to children’s TV as well?

Professor Steemers: Yes, absolutely. All those big hits of the past like Bob the Builder and Teletubbies were made possible by the fact that the producers retained rights. They were a massive hit on public service broadcasters who benefited from them and were able to give that initial push and be innovative. Those companies also generated lots of income from sales, which is slightly different for certain children’s properties, of licensed merchandise.

The difference with SVODs is that it goes back to the old cost-plus system where you just get paid a sum of money and you leave it with them. You do not benefit from that. You are not growing those big companies that the UK had, the super indies. If they do not have rights that they can exploit, if organisations like Netflix keep those rights, you have less chance of getting those larger companies that have the kind of scale that can support those innovative programmes.

We are at quite a difficult period. The terms of trade have worked very well for independent producers but, as commissions move more to the SVOD range of things, it becomes more difficult. There are more difficult choices and particularly so for the children’s content sector, which has always been, as is often said, the canary in the coalmine in waving the flag for some of those changes.

Q576 Damian Green: Do you think the terms of trade particularly benefit existing super indies? Can smaller indies benefit fully from them?

Professor Steemers: You would have to ask the next panel that question. Terms of trade have been very beneficial for a large range of
companies, but there are lots of challenges now. I think the production sector and the broadcasters are looking at ways to make those work better. The SVODs are the ones in the room that usually want to take all rights, and particularly for the children’s sector that complicates things and it changes the business model that had been working quite well for about 20, 30 years.

Q577 **Damian Green**: Thinking ahead to the next session with Pact, it has argued that the consolidation of the independent scene has increased the number of new entrants. Philip, do you agree with that?

**Professor Schlesinger**: Pact is in better possession of the data than I am, but what it comes down to is the question of scale. What it has done is to create larger players, very often brought over by US majors. It is not necessarily such a benign environment as that generalisation would suggest. It plays out differently in respect of location and scale around the UK. It is important to bear that in mind.

Q578 **Damian Green**: If the terms of trade were applied to SVODs, do you think that would lead to a drop in investment by them in UK production?

**Professor Schlesinger**: It is a very interesting experiment. There are different ways of dealing with that. Maybe you have to think about a different kind of relationship between what is paid up front and when the rights reversion takes place. It is not an all or nothing and it is really important that we do not get stuck in one practice because it has worked for a certain amount of time, but we do not throw it out of the window because we are facing new circumstances. Let’s see what will work in the future. I do not see that we can predict.

Q579 **Damian Green**: Uncanny, that was going to be my next question. If anyone thinks this may not work in the future, what alternative intervention might have the beneficial effect we all want to see? Are those ideas floating around yet?

**Professor Schlesinger**: I am not sure that they are floating around, but certainly thinking about different ways of cutting the deal while keeping rights reversion, which has beneficial effects in the longer term for the creative audio-visual economy, would seem to be a good starting point.

Q580 **Chair**: Finally, just picking up on one of the questions Damian asked, Caitriona, you talked about distinctiveness in drama and the fact that it is not just for public service broadcasting to put British quality drama out there. Is there a question mark over distinctiveness or the degree of distinctiveness of drama? I am thinking of one example. Netflix has a programme called *Criminal: UK*. There is also a *Criminal: Germany*, a *Criminal: France*. They are ostensibly given a British twist, but they are formulaic, they are by the numbers and they are concepts that basically people would say are really distinctive but they are not actually distinctive. Are there question marks there?

**Dr Noonan**: You have picked up on a successful strategy for Netflix, which is globalisation and localisation at the same time. I think they have
done that incredibly well in terms of operating globally but also having local content.

Regarding your question, are you asking me about the wider economy or about Netflix?

Q581 Chair: No, just whether there is a question mark. We are lauding the fact that the SVODs are able to put content out there that has a national characteristic; however, that may not be the whole story. Down the line, maybe if we move away from traditional acting, we may end up with computer-generated graphics and so on in drama. If that is the case, you could have a situation where a conglomerate is able to pump out what tastes like, on the surface, national content but is not.

Dr Noonan: Without getting to the actual root of some of the stories and some of the identities that exist in the UK, there is a big risk at the moment that cultural specificity will be lost in this economy. That is why public service broadcasting is so important in this space to do that kind of cultural specificity, whether it is—as I think somebody mentioned earlier—dramas from Yorkshire or whether it is something like Hinterland. Having those locations, those accents, those stories that are culturally specific is really important.

Professor Steemers: Just to come back on the format side, that is as old as the hills and the British are good at doing that. Think of Strictly Come Dancing, The Great British Bake Off, Love Island. Those are all things that were generated in the UK, and they have all been sold. Other countries are probably having those debates and saying, “Look at the Brits, they are just selling their stuff and localising it.” That is not new. Whatever Netflix is doing in terms of formats, other companies—

Q582 Chair: But it is unusual in drama, is it not?

Professor Steemers: Not necessarily so. In America they have tried to do versions of British dramas, sometimes successfully, sometimes not. That goes back quite a long way.

Q583 Chair: At the same time as doing that, public service broadcasters in the UK will also do quite distinctive stuff. They will look to market a formulaic idea internationally, to send it out there and sell it internationally, but there will also be quite distinctive localised drama. The point of my question is whether or not the SVODs effectively only do that, which they can sell, which they can then transpose internationally, rather than something that would be very much localised.

Professor Steemers: It is quite rare that they would do something that is very localised. It has to appeal to a much wider audience.

Dr Noonan: This is where secondary rights come in, once they have seen that something is successful—and, again, the example of Hinterland is useful here. They saw the success of Hinterland both in the UK and internationally, and then they were able to buy up the rights to that. While it is very culturally specific through the medium of Welsh, would they ever commission a Welsh drama that is based in west Wales? I don’t
know, maybe they might, but I do not know how many small indies—and I would not say that Severn Screen is a small indie—are having direct conversations with Netflix. When we are talking about indies producing for Netflix, we are talking about the likes of Lime Pictures, which produced *The Crown*, which are major super indies. It is about the level of who is supplying them. It is mostly super indies. I do not know if it is the small indies, but then the secondary rights become important in that space.

**Professor Steemers**: The other thing I would just point out is the diversity in the SVODs. All we are talking about is Netflix. Is that the only customer out there? I can only talk about the children’s sector. Amazon does not commission much kids’ stuff, so when I talk to producers there is a limited number of people to talk to. They are either talking about the PSBs or they are talking about Netflix. That is the danger if you put all your eggs in one basket. Who else is out there? BritBox is not going to be commissioning lots of stuff, is it? I do not know whether there are other options out there apart from Netflix.

**Giles Watling**: I just want to take you up on one thing, Chair. Replace actors with computer graphics? Never.

**Chair**: I thought that would wind you up, Giles. You are okay, you have your royalties now, it is fine.

Thank you very much for your evidence today: Caitriona Noonan, senior lecturer in media and communication at the school of journalism, media and cultural studies at Cardiff University; Professor Philip Schlesinger, professor in cultural theory at Glasgow University; and Professor Jeanette Steemers, professor of culture, media and creative industries at King’s College London.

### Examination of Witnesses

Witnesses: John McVay and Jacqueline Baker.

**Q584** **Chair**: This is the Digital, Culture, Media and Sport Select Committee, and this is our second panel today on our hearing into public service broadcasting. We are joined by John McVay OBE, the chief executive of Pact, the Producers Alliance for Cinema and Television, and Jacqueline Baker, co-founder of B Inclusive Task Force. Good morning, thank you for joining us today.

My first questions are to you, John. What has been the effect on your industry of Covid-19 and the most recent lockdown in particular, and perhaps also in relation to the insurance issues we have discussed in the past?

**John McVay**: While our industry was never instructed under civil authority to stop trading, the Covid social-distancing requirements when the lockdown was introduced effectively meant that virtually all production had to stop and we were at peak production. That point of the
year is when most productions are ramping up for the summer season of filming. It came at probably the worst time for filming overall.

That led to two immediate reactions by the industry working with Government and, indeed, the BFI. One was to introduce safe-working protocols, which we negotiated with all the health authorities, both in England and in the devolved nations, to make sure that production could restart in a safe way. The main barrier that we discovered was that we could no longer get commercial insurance. Most creative industry productions are covered by insurance, not just to compensate us for losses but to give security and confidence to investors that if we have to suspend in case our leading actor gets ill, even in normal circumstances, we would have the funds available to restart and deliver the production as per our contracts and agreements with broadcasters, commissioners and investors.

The lack of commercial insurance was a major barrier. Even if we could work safely and make sure that all the crew and public were protected against the pandemic, or as far as we could do under the guidelines, we could not take the risk of going back into production. This was particularly acute for small production companies around the UK. We have heard a little bit about super indies and big studios like Netflix. The big studios like Netflix and the big broadcasters can often afford to self-insure, so they can afford to continue production because they may cover any losses associated with a suspension. For small producers that would be a business-defining moment where, if you started a production in Bolton and had a Covid-related issue, the losses you may incur could bankrupt your company. You would not be able to deliver the production, you would be in breach of your contracts and your financiers and commissioners may seek to recover their investment as well. This was a huge barrier.

I led a working group, along with all the major UK broadcasters, including Sky, to make the case to the Treasury that we needed an intervention that would allow us to get back to work, back into production, to get freelancers back off furlough—many had been furloughed, although there were some who were not because of the nature of their business relationships—and to make sure we could get the pipeline of production started again so that we would have sufficient content available for our domestic broadcasters across the range, drama, factual, children’s and so on, so that our domestic broadcasters were not facing more repeats or potentially blank screens going forward.

I am very pleased that we were able to make the case to the Chancellor and he introduced, at the end of July, a £500 million production restart scheme, which is basically there to compensate productions for any Covid-related losses they may incur if they have to suspend or abandon their productions. It does not cover normal production insurance, you still buy that commercially, but there are still no commercial insurers who have brought any commercially viable products to the market that would
allow the proper functioning of audio-visual, and this also impacts on other sectors.

Q585 Chair: I understand what you mean, John. In essence, what has happened is the Government have stepped in, in the same way as with, for example, certain terrorism insurance in the past to a smaller degree, and are acting as a reinsurance agent to the tune of £500 million in one specific area, which is Covid-related, while allowing the rest of the market to operate. Would that be a fair summation?

John McVay: Yes, that is correct. It is a market failure. It took some time to introduce, not because of the energy or commitment by our Government—and I must compliment DCMS here for the good work it did on this—but because it took a long time to get through EU state aid approval. It is a novel intervention, and it is also of a scale way beyond anything that has been done on the continent or in other parts of the world.

Q586 Chair: Yes, which probably reflects the size of our industry in relation to those other countries in many respects.

John McVay: Yes, we are a much larger audio-visual economy than anywhere else in Europe. We are second to the US in the size of our audio-visual economy.

Q587 Chair: This is an interesting, important area in terms of insurance because you are not the only industry that has been in this position. You are the industry that has had its problems sorted the soonest. We are currently doing an inquiry into festivals, and they are telling us very simply that we will not have any festivals next year unless they have this insurance scheme in the same way. Very briefly, what lessons can we learn from your experience that we can transpose on to that?

John McVay: Get your data, get your evidence and show the economic benefits of a public intervention. Be clear about the nature of the intervention. The industry worked very closely with Government on designing guidelines that are easy to understand. It will not cover all production but, say, 80% of production can be covered. Be very clear about what the economic benefits are. This is taxpayers’ money. It is there to restart economic activity, to help people get back to work and employment, and for the industry to get back on its feet after what was virtually a lockdown for an entire economy.

Q588 Giles Watling: You touched earlier on freelancers being furloughed, and it is kind of wonderful that so much money went in to help people and companies like that, but I worry very much about freelancers—and there are many of them—who were not furloughed. They call them the excluded.

How concerned are you about the loss of talent? People are leaving the industry in their droves as we speak because they cannot carry on without anything coming into their households. How concerned are you that we are losing great talent for the future?
**John McVay:** There are two points there. First, along with all other domestic broadcasters, Pact wrote to Government about the community you are talking about because they fell between the gaps. Our view was that, generally, if we can get production back up and working those people who fell between the gaps, many of whom might be series producers or directors who take dividends from small companies, would get back to work because there would be work. So they may not leave the industry. I think the best way for creative people, who have probably spent many years progressing in their careers, developing their skills, talent and reputations, is to get them back to work. I am very pleased that we are probably back to around 75% to 80% of pre-Covid production across the UK.

There are still issues, there are still difficulties. It is more expensive to work under the current pandemic restrictions, but I have always been focused that the best solution is to get the industry back up and running again so we do not lose people, so we can employ them as a series producer or a director in Leeds, Glasgow or London.

**Q589 Giles Watling:** I sincerely hope you are right, John, and we do get them back to work. Thank you very much.

**John McVay:** It is not back to capacity. We have to employ lower numbers because of Covid working practices, but we are getting there. It will take time to recover.

**Q590 John Nicolson:** John, we have seen a huge drop in advertising revenues for commercial radio stations. Are we seeing the same thing for commercial PSBs?

**John McVay:** We did at the beginning, and I think you have taken evidence from Channel 4 reporting that the initial losses on the pandemic were considerable for the commercially funded public service broadcasters. I am pleased to say that there appears to be a recovery. Ironically, one of the issues of Covid was that out-of-home advertising has become on-air advertising because most people are not out of home and travelling as much. Some of that spend has come back to the commercial PSBs. Channel 4 has reported that they reduced their programme budget by £150 million for this year. They seem to be recovering and are putting more money back into the programme budget next year.

Of course, during the early stages of the pandemic we had to accept that the budgets the broadcasters were going to pay were going to be severely reduced. I am very proud that the broadcasters, the independent producers and in-house producers reacted to that and innovated quickly, to try to make sure we had new programming on British screens. This did not happen in other territories. Hopefully, what was a very painful blip is part of our slow recovery and we will see investment back into the programme budgets. Given your previous session about SVODs who have all taken on audiences and subscriptions, we do not want to see our domestic broadcasters with a much declined
programme budget when they need to be competing more vigorously with all the other players who have taken share in the UK market.

Q591 **John Nicolson:** There have been calls, haven’t there, for advertising tax credits for UK media companies? Do you think that would be beneficial for the industry, or are there other things that Government could and should be doing to help make sure that the industry stays afloat and flourishes?

**John McVay:** My response to any request for tax credits, and I have been involved in helping design and implement three of them—the film tax credit, the high-end TV tax credit and the children’s tax credit—is you have to make the case for market failure and then what the return on investment is for the benefit that you are receiving from the Exchequer. If there is a clear market failure and a clear benefit, tax credits should be considered. That is the first Green Book test you need to satisfy. If that is the case for that one, or indeed any other one, and there is a suite of tax credits for the creative industries, if they address a market failure to sustain the growth and development of our creative industries broadly, I think that is always a debate that Parliament should consider.

Q592 **John Nicolson:** How has the Covid crisis affected minorities within the industry, folk who are underrepresented, obviously, in particular, black, Asian and minority ethnic folk who work in the industry? Has it been disproportionate?

**John McVay:** Clearly, the impact of Covid on that community and those people has been disproportionate. I do not have any data myself on how that has affected the workforce across broadcasting and production per se. Jacqueline may speak to that. Clearly, the impact it has had on work, on progression, on access will be profound for everyone. Given that the BAME community was already experiencing a lack of progression, clearly Covid will have an impact because it has paused a lot of the work that was going on.

The Black Lives Matter movement over the summer clearly highlighted, and rightly so, that broadcasting needs to do a lot more to address what we are seeing as structural issues within broadcasting. That is not just for the BAME community, that is also for social mobility. We participated in work with Channel 4 a few years ago, which we launched in Glasgow, showing that social mobility is a real issue in the sector as well. Broadcasting per se has a huge challenge to address issues of progression, access and equality effectively across our sector.

I have argued—and I have long been active on this agenda, and I helped set up Diamond—with the broadcasters and my members—

Q593 **Chair:** John, thank you, that is a very extensive answer. Jacqueline, could you input into John’s question?

**Jacqueline Baker:** Hi, everyone. Thank you for allowing me to join your Committee and giving me this platform.

I will just add on to something John said. There are many factors that are affecting people of colour who work in TV. He touched on social mobility.
That also affects people of colour, so it is just one more factor. We have over 700 people of colour who work in TV in our membership, in our Facebook group. They range from a variety of different levels, literally from runner right through to series producer, commissioner. Yet the question I am often asked is, “But we cannot find any people of colour to work on productions.” Why is that the case when there are so many people already in our group who are eager to get into work? The impact of Covid has meant that the barriers and obstacles that people of colour are already facing have been exacerbated.

I will give you an example of that. One of my members reached out to me recently because she had discovered that, on leaving her previous position, her previous employer had been giving her a bad reference, which meant that for the entirety of the pandemic she has been getting to the last two positions for a role and then not getting it. She discovered that her previous employer had given her a bad reference, which is illegal. These are the sorts of things that our members are facing.

Q594 John Nicolson: Sorry, why is it illegal to get a bad reference?

Jacqueline Baker: She had not been given an accurate reference. She had been given a reference that was negative and the people who were interested in giving her a job had told her that she needed to look elsewhere for a reference because that was what was stopping her from getting the job, is what I mean.

The reason why I use that example is because, in the midst of a pandemic, when we already know there are so many people struggling to work in television, it does beg the question. You can give a neutral reference. Why would you go out of your way to do something that has such a profoundly negative effect on someone’s life? This particular person has come from a very difficult background, so being out of work means she is not able to pay bills that she needs to survive, which is not a small thing. These are adults who have to—

Q595 John Nicolson: That is a very specific case, and obviously we do not know the full concern, but to your broader point that, of all the people you have in your Facebook group, they were finding it disproportionately hard to get work at this time on top of the longstanding systemic problems that BAME people have within the industry, is there anything specific that you can identify that you think the Committee should know about?

Jacqueline Baker: I do not think I am the person to speak on statistics with regards to how Covid is impacting people of colour working in TV. I would say there needs to be increased workforce monitoring so that we are able to answer questions like this. There needs to be increased workforce monitoring so we know what the make-up is of crews on productions and representation on screen so that, when we are trying to identify gaps and areas for concern, we have that data available.

Q596 Clive Efford: The task force wrote quite a powerful letter to the Government and circulated it to the industry. What impact do you think
that letter has had so far?

**Jacqueline Baker:** The impact of the letter has been extremely positive. We sent the letter in June at the height of the Black Lives Matter protest. We sent it to all the major channels, streamers and key industry bodies. We have now met all those broadcasters and streamers, and we are having continuing discussions with them. We were able to put forward our concerns, and the key thing for us in the letter is that we see ourselves as very solution focused. We did not just want to moan about the state of the industry; we wanted to ensure that we had proposals in place that we felt could improve the experiences that people of colour are currently having in the industry, and some of those proposals have already been taken on board.

For example, one of the areas we highlighted is that mid-level BAME workers are leaving the industry at a much higher rate. In order for us to ascend to more senior levels, we obviously need to ensure there are people at that mid-level who can ascend to the series producer roles, the exec producer roles or commissioner roles or even join executive committees.

As a result of that, we have had people like Channel 5 implementing a promotion opportunity project, which specifically targets people at that mid-level who want to progress. That is just one way that our letter has helped to break the glass ceiling that a lot of our members feel is there.

**Q597 Clive Efford:** That is reassuring and good to hear, but often, when dealing with challenging issues that arise in this way, there is a flurry of activity around it and people address the issue in the immediate term. What do you think needs to be done by the industry to ensure that the issues you raised are taken up and that we monitor how they respond to them, to make sure they are really embedded in terms of change?

**Jacqueline Baker:** That is a good question, and I absolutely agree with you. I do think sometimes targets mean things are done later. We sent our letter in June, and obviously it is now November. It is great to have some longer-term targets, but it is also about what is being done now that is going to have a real impact.

One of the key things that we talked about in our proposals is promoting more BAME-led authorship. The reason for that is because it is so important, when you are talking about a particular racial group, that you are reflecting the full picture and that it isn’t just one repeatedly negative narrative that is constantly being pushed. We think it is important that we are able to tell our own stories and reflect our own narrative. That could be through, for example, having a specific budget that is allocated for BAME-led programming, having commissioners across all genres, some of whom come from a BAME community so that they can reflect our lived experiences and tell our stories in a really authentic way.

As part of that, we also proposed having an independent body for workplace grievances. That is because we think it is very important that when incidents occur there is somewhere independent where people can
go without fear of repercussions. Often a senior person in a crew has not been trained to deal with an incident where, let’s say, racism or sexism happens or there is some other uncomfortable situation, so having a person with that expertise is something that we think would be hugely beneficial across the board and not just in terms of race.

We also think it is important to have a clear place where new jobs can be advertised, somewhere that is external and accessible for everyone, because one of the issues within the industry is nepotism. When it comes to recruiting, people will often go to the networks they know, the networks they have worked with before. That can often exclude people, not necessarily just BAME people but also people who come from the regions and people who are working class. Those are all things that we feel need to be addressed in order to make the experiences of people of colour in the industry a better one.

Q598 **Clive Efford:** Are there any examples of good practice in the industry that you would point to?

**Jacqueline Baker:** That is a very interesting question. I think one of the issues within the industry is gatekeepers. There are so many fantastic entry-level schemes that many people have been on, and they have progressed. However, that is only one piece of the puzzle. We need to ensure that there are people in senior-level positions who are able to effect those changes. Otherwise, what happens is that swathes of these amazing, talented creatives come into the industry, they get to mid-level and they leave because they either do not see an opportunity to progress or perhaps because they do not have the networks that someone else might have because they come from a different background. Again, that doesn’t speak just to people of colour. That is also people who come from different socioeconomic backgrounds.

Even with those training schemes, what are we doing to make sure that people who end up on those schemes have not gone to the typical formal institutions and redbrick universities? What are we doing to make sure that people who are given the opportunities to do these fantastic schemes actually come from perhaps more informal routes of training, or perhaps are second jobbers because they were not necessarily able to start as a runner because they needed to make a decent wage?

I feel there is a lot of work to be done, and for me good practice is ensuring that work is being done at the bottom but also at the very top.

Q599 **Clive Efford:** John, how diverse is your organisation?

**John McVay:** My particular organisation?

**Clive Efford:** Yes. You represent a number of independent production bodies or companies, so how diverse are they?

**John McVay:** It is hard for me to know individually, because the reporting on the actual work is done through Diamond in terms of role types and in front of camera and that reporting goes to the broadcasters.
They have the data on all the commissions by independents on how diverse their productions are.

**Q600 Clive Efford:** How did your organisation respond to the task force letter?

**John McVay:** What Jacqueline has just said is something that we have agreed with for a long time. We have been running a range of initiatives, which is about cultural change within production, but ultimately this comes down to what broadcasters want, what they want commissioned, who will be doing that commissioning, who they want to tell those stories, so I agree with Jacqueline that you need to see senior-level progression in order to change the overall culture.

I would also concur with her view that it isn’t something that just affects the BAME community. It is also something that affects people from other diverse backgrounds or socioeconomic backgrounds, so we need a more inclusive broadcasting culture in the UK that more accurately reflects our audiences and our citizens.

**Q601 Clive Efford:** In terms of the specifics requested in that letter, to increase the number of BAME commissioners, formalise recruitment process, independent reporting, improved workforce monitoring, mentoring schemes and training, all those issues, have you discussed that with the industry in general, how that can be implemented, and have you considered how you as an organisation can monitor progress?

**John McVay:** There are two ways of monitoring progress. Ofcom has a statutory duty to monitor and report on diversity from the broadcasters it licenses, particularly the PSBs. Diamond is the world’s only pan-industry monitoring database that reports. We have been reporting on crews and other behind-camera roles recently, so I think there is a lot of reporting.

One of the key issues that the task force identifies is: who is buying? Who is commissioning? What stories are they commissioning, and who gets access to those opportunities? We raised a number of issues on this several years ago with the major broadcasters, about commissioners having their little black book of preferred directors and series producers. My question was, “Well, that is okay. This is a talent-driven, reputation-driven industry, but how does anyone know how to get into that system?” It is a closed system often based on closed networks, and that is detrimental to the long-term success of our industry.

**Q602 Clive Efford:** When Netflix and Amazon appeared before the Committee, they were unable to provide us with a breakdown of their workforce in the UK by gender, ethnicity or socioeconomic background. Are you surprised by that?

**John McVay:** I am surprised. As a big corporation, they have the resources to report on who they employ. A small indie in Glasgow might be three people. It may be easier for them to report on their diversity or lack of it, but for large corporations, including all the major UK broadcasters, I am surprised that they are not in a position to report on that. I would think they would be able to do that.
Clive Efford: What, if anything, can your organisation do to nudge them in the right direction to make sure that they do pay attention to diversity in their workforce? They cannot possibly understand what is going on if they are not even collecting the data on their own workforce, can they?

John McVay: My focus is on the supply side, on production. Broadcasters or platforms have to answer for their own position. We are very committed to having a more inclusive production community across the UK that promotes talent, ideas and opportunities, and that is what we focus on. I am a trade body. I don’t have any significant funds. I don’t commission anyone. What we have to do is bring knowledge, opportunities and new ways of thinking into the production community, and then we also discuss that with the buyers in terms of what they are doing.

There is no point saying, “I am going to set up a company to provide a certain type of programming or talent” if the market is not interested in it. You will not survive very long. That may be the sad truth currently, but my hope, given the targets that broadcasters have implemented and also the good work of Jacqueline and the task force, is that we are at the point of seeing a change, a long overdue one.

Clive Efford: Would you agree with the response that Amazon gave to the Committee that a large part of the issue of diversity within the TV industry lies with the production sector, and that the hiring of crew is out of the control of broadcasters and SVODs? You would agree with that, would you?

John McVay: No, I wouldn’t because all the domestic broadcasters will monitor and discuss what you are doing in terms of each production and whether you are promoting, encouraging or supporting inclusion and diversity. I know Netflix has a real focus on that for its suppliers, so if your buyer says, “I want this to be more diverse and more inclusive” and that is a condition of your commission, you will work hard to do that.

Clive Efford: Would you say that public sector broadcasters are doing enough to tackle inequality and diversity within the TV industry?

John McVay: They are doing more. Whether it is enough yet, we have to see the results. To Jacqueline’s point earlier, I think we have to look to what we can do now but then what does that look like in a few years’ time in terms of senior level progression? We have long argued that that is where you make the big change.

Clive Efford: Is there a big difference between how the PSBs and the streaming services in the UK are performing in this area?

John McVay: It is hard for me to judge that because I have not seen any data from the streaming services. They have not reported, unlike the PSBs who are required to report under Ofcom and who also report as part of Diamond. I would not know what the streamers are. I would not want to make a like-for-like comparison because I do not have the data.

Clive Efford: We had that answer from them when they were in front of
us. Is it good enough to say, “PSBs have a statutory requirement to monitor this area under Ofcom, but as independents we do not have to and so we don’t”? That is basically what has been going on, isn’t it? That is why they do not have the data.

**John McVay:** The platforms?

**Clive Efford:** Yes.

**John McVay:** If they are not looking to be more inclusive and diverse, I think that will be damaging to their businesses. Whether they have the same requirements as PSBs, given they are not regulated, is a corporate matter for them, but certainly knowing Anne Mensah at Netflix, who has made several statements and I think appeared before you, my understanding is that Netflix is very committed to being more diverse and inclusive. Whether it reports on that or not is a matter for Netflix, but I would say they need to be as engaged in the talent and creativity challenges as the domestic broadcasters.

**Q608 Clive Efford:** Jacqueline, you heard that exchange. Do you have any further comments on how both the public service broadcast sector and also the independent streaming sector are performing in this area?

**Jacqueline Baker:** The only thing I would add is that if broadcasters and SVODs are saying they are implementing a strategy whereby their suppliers need to meet a certain amount of diversity but then saying there is no way to measure that, or there is no way for them to hold people accountable for it, that is a real issue that needs to be addressed. We cannot keep passing the buck. Ultimately, someone has to be responsible for that, so that is something that needs to be looked at.

**Q609 Chair:** Jacqueline, just on that point, I have to say the Committee was absolutely staggered that Netflix had no data on this at all, a global company like that. It is not good enough, is it?

**Jacqueline Baker:** Sorry, no data on diversity?

**Chair:** No current data in terms of their own staff.

**Jacqueline Baker:** I would speak in a broader sense. As I mentioned earlier, workforce monitoring is something that the task force is extremely passionate about. It is very important that we do that so that we are able to highlight the inequality gaps and obstacles that need to be addressed. I guess my response would be that all broadcasters and SVODs should, in my opinion, be publishing data on the diversity within their organisations, and I would love to see that on productions as well.

**Q610 Chair:** Is there a danger that we are such a very fast-moving marketplace, where you have players rising seemingly on an almost annual basis, that this is actually being lost? I found it amazing that Netflix did not have this data, and that is basically an American company. Is there a danger here that it is so fast moving that we are not focusing on this issue as much as we should?
Jacqueline Baker: For me there are two things. I spoke earlier about what people are doing now. Like I said, data is extremely important. However, you do not need data to look around a boardroom and notice that there isn’t a person of colour sitting around that desk. You do not need data to look at the crew on a production and notice that there isn’t a person of colour beyond a runner on that production. It is pretty clear in both those scenarios that diversity is something that needs to be addressed.

What I would like to see is a more proactive approach whereby people realise that you can take that action now. If you are recruiting for a production, you can ask that supplier, “Do you have a black series producer on this? Do you have a black executive producer on this? Do you have a black PD on this?” No one is stopping anyone from asking those questions. If you really want to see action taken in a more immediate sense, rather than constantly waiting for data so that we can come up with targets that we will meet a year or two from now, it really does need to start now with productions that are happening now and moving forward into the future.

Q611 Chair: Yes. I imagine that diversity does feature in many negotiations between channels and production companies, but what you are saying is that, effectively, it is often just on screen rather than behind the scenes and that middle management and higher management basically is not diverse at the moment. Is that a fair summation?

Jacqueline Baker: No, it isn’t diverse at the moment, and where is the accountability for that? It is fantastic that there has been so much goodwill from a lot of broadcasters, SVODs and the indie sector saying that they want diversity but, in a real and active sense, when that is not being met, how are people being held accountable? How are you even ensuring that those targets are being met? I still feel, despite having spent the last few months talking about these issues, I do not necessarily have any real answers to that.

Q612 Kevin Brennan: Can I suggest something that might form part of that proactive approach, Jacqueline? John spoke earlier about the film and high-end television tax credits. He knows that I have banged on about this for a while and previously suggested this, but would it be a good idea, as well as some of the cultural and other tests that are included in that market intervention, which is so important to the growth of our production sector in the UK, if there was included in that a barrier you had to get over in terms of diversity, including BAME representation in front of and behind the camera? In other words, you do not get the money unless you actually deliver. Do you think that intervention would be welcome?

Jacqueline Baker: That is definitely something I would welcome, and I would welcome any legislation or proposals that seek to help people who want to start BAME-led indies or BAME-led development teams because it is important to ensure that representation is there on screen and off screen. We also need to be the producers as well. I think that is very
important, so I would like to see resource there to enable more senior-level TV executives to be able to start their own indies.

Q613 Kevin Brennan: John, what is the position of the industry now on that suggestion, which you know I have made before?

John McVay: It would only apply to certain things, mostly high-end TV, and I think that would be something to look at. Let’s bear in mind that the vast bulk of employment in the UK is on factual programming where there is no tax credit, and I imagine Jacqueline and many of her members don’t work in drama but work on a whole range of other programming: entertainment, comedy, fact ent, science. There is no tax credit there. That may be part of the solution, but the main thing—to Jacqueline’s point—is to develop good ideas and great ideas, to commission more programming, to build those companies and to help career progression, as the way to change not only the industry but what we see on our screen. I think that is the most important thing for all of us.

Q614 Kevin Brennan: Accepting all that, and it is a limited intervention, would the industry be in favour of or against that reform of the tax credit?

John McVay: The issue for the industry—and I have been involved in tax credits—is how you qualify the tax credit as you apply for the production with HMRC, because you would have to require people to disclose their ethnicity as a condition of contract, which is currently illegal under EHRC legislation. We cannot do that in Diamond. We cannot require anyone under contract to disclose their protected characteristics.

Q615 Kevin Brennan: The only objection is a technical one. It isn’t one on principle to that being included. It is already the case, isn’t it, that to qualify for a BAFTA as a British production you have to demonstrate diversity? Am I right in saying that?

John McVay: Yes, once you have made the film, if you want to submit it, they have rules. The BFI have rules for independent film investments that they make. It is right and proper that major institutions that promote investment or excellence in our industries have commitments to diversity inclusion, absolutely.

Q616 Kevin Brennan: It is only because it is ex post that you are saying it works, but surely that has an influence on companies. If you want to get a BAFTA, you have to get your act together. It should be the same with the tax credit, shouldn’t it?

John McVay: I think that is a good thing. To Jacqueline’s point, who are we employing? Are we inclusive enough? Have we made enough effort to knock on someone’s door, someone who has knocked on our door? Are we reaching out to a broader range of writers? That is a good thing. It is a way to do that, yes.

Q617 Kevin Brennan: Have you watched the new series of The Crown?

John McVay: No, I am not an avid watcher of The Crown.
Kevin Brennan: The reason I ask is not just because I am interested in your TV watching habits, but because I asked a question of a witness in a previous Committee session: could a public service broadcaster, like the BBC, have made a series like *The Crown*, given the *Mail on Sunday* and so on?

John McVay: That may have factored in at the beginning when it was in the early days of series one, but I think the BBC could have made that, yes. Clearly, financially they would have had to be fleet of foot to raise the moneys required to make it to the same onscreen quality. It is an expensive show to make, but I—

Kevin Brennan: The outcry there would have been against the BBC, as a licence fee-funded public service broadcaster, from certain areas of the tabloid press and perhaps even from, at that time, No. 10 Downing Street and Members of Parliament of particular views about the BBC. In fact, they would not have gone anywhere near it, the management of the BBC. Am I not right to say that?

John McVay: Yes. Maybe on the most recent episodes, but editorially the BBC might have done a different thing on the most recent episodes because it was being made by the BBC. That is part of the ongoing discussions between the supplier and the commissioner.

Kevin Brennan: Editorial teams in the BBC would live in fear, basically, of the sorts of scripts they put out on a drama series like this.

John McVay: I get your point. I do not think the BBC should run scared of the media generally. I think the BBC should innovate, should tell stories, diverse stories that may challenge our history. We have seen a lot of that over the summer, which challenged our perceptions of who we are and so on. That is part of a creative challenge that we have going forward in broadcasting. Authenticity is a very important part of how we compete with big global platforms. Are they truly—

Kevin Brennan: What I am getting at, John—sorry to cut you off, but I do not want to take up too much of other members’ time—is that, in a way, we both know that is true. I think everyone on the Committee knows it is true that the BBC is faced with that issue because it is licence fee paid, but have we not, in some ways just by luck, created a broadcasting media landscape that is a sort of hybrid heaven, in that you have the positive gravitational pull of having a large licence fee-funded public service broadcaster, which exerts very positive gravitational pull on standards and on the sorts of television dramas that we have?

The streaming video-on-demand services and private companies like Sky have been lining up to say that they are in favour of public service broadcasting and in favour of retaining things like the BBC. That is quite odd. You would think they are their main competitors and would be complaining about the market intervention.

My point is that, in a way, *The Crown* illustrates the fact that we have the best of both worlds. It is true that the BBC, in my opinion, would have come under intense political pressure if it had chosen to make a
programme like that, but it is still possible for it to be made and to be seen because we have this hybrid culture and ecosystem in our broadcasting system in this country. Is that assessment one that you would agree with?

_**John McVay:** Yes. In fact, we submitted a paper to previous Committees or reviews where one of our arguments was that the PSB system, the qualities we have focused on in this country, is pretty unique but they are also qualities in creativity and excellence that, by and large, everyone wants a piece of. That is why Netflix is here. That is why Amazon is here. That is why Apple is commissioning here. They commission more from the UK than from any other territory outside of the US. That is a lot to do with our particular creative community and our way of storytelling.

If you look at it, US networks used to strip shows for 40 weeks a year, four nights a week. Now they do limited runs—much like we have always done in the UK—of six, eight or 12. They have aped PSB and they have come to the UK to take advantage of the creativity we have and the standards of excellence that the PSB system generates.

**Q622 Kevin Brennan:** I want to ask you about intellectual property—Damian Green was talking about this earlier—the terms of trade and so on. What is your view about how effectively smaller independent companies are able to sell their content in secondary markets and the future of the terms of trade, given the advent of the streaming video-on-demand services? In a previous Committee I raised the issue about Michaela Coel, the fact she had been told by Netflix that she could not retain any of her intellectual property when she went to them with that proposition and, therefore, went with a BBC co-production. In general, what is your view about the future of all that?

_**John McVay:** Just to rehearse a little bit of history, the terms of trade were brought in to address the market dominance of the domestic broadcasters who still account for 80% of all origination. The streamers account for only about 6% of total spend in the UK. In a sense, as producers, we are in a blessed position compared with producers in other territories who have domestic broadcasters and the streamers, in that we can choose to go and work with the BBC, sometimes under a co-production with a streamer where we would retain rights, like Michaela. Or we can say, “You know what, I want to make the show for Netflix because it will pay me a healthy margin that will go on my bottom line and fund my future development.” I can choose to do that. You don’t have to work for Netflix.

I welcome the fact that Netflix has made significant investments in the UK. That is good for our broader creative economy. It is not a regulated broadcaster. Unlike our domestic broadcasters who come under Ofcom, Netflix does not.

**Q623 Damian Green:** We have discussed diversity in various forms. I want to talk about geographical diversity. Both the BBC and Channel 4 have clearly made moves to get more production out of London. Do you think
there is enough, or should there be more movement out of London to the regions and nations?

**John McVay:** Both the BBC and Channel 4 have worked very hard to get to their requirements in terms of the numbers they have set themselves. Our longstanding concern is that you can hit those numbers with very short-run single programmes, when what you need to build up the production centres around the UK, which may be more accessible and inclusive, is returning series, and there has not been enough movement on that.

There has been what is called “lift and shift” where you take a series from London and take it to Glasgow or Manchester. What you actually want to see is production in Leeds, Bradford, Glasgow or Belfast that is coming from indigenous suppliers and becomes a returning series, because that is how you build up scale of production, planning and other infrastructure around it. The challenge for them isn’t so much hitting the number but what is in the number going forward.

Q624 **Damian Green:** I can remember a competition in one of the magazines many years ago where, for the phrase “least likely to make you want to watch the programme following” the winner was “now a programme made here in Wales.” I speak as a patriotic Welshman. Do you get that? Is that feeling still out there that programmes made outside London are inherently a bit second rate, a bit quota filling?

**John McVay:** No, because there are many, many programmes. You heard from previous speakers about *Hinterland*. There is *Sex Education* by Netflix, which is made in Wales. There is a whole range of creative talent out there that can be made anywhere. I think audiences are generally more agnostic now. If you look at one of the big hits on Netflix, *La Casa de Papel* is in Spanish. If it is good, it is good. That is the test. Creativity and excellence can come from anywhere in our society and anywhere in our United Kingdom.

Q625 **Damian Green:** Jacqueline made the very good point that, when we are talking about diversity and opportunity, obviously ethnicity is one angle but there is also background, education and getting diverse voices in. Is there some slight danger that what the BBC and Channel 4 are doing is moving people from one metropolitan mindset in London to another metropolitan mindset in Manchester or Leeds, and actually that will still leave large parts of the country without a voice and that, as you say, we need a series made in Cornwall, East Anglia or somewhere like that? There are large parts of the country that, in terms of production, are still broadcasting deserts.

**John McVay:** I would agree. I do not know whether you can have major productions everywhere across the UK, just because of the economies of scale and the infrastructure you require to sustain and develop that. To my point, I think creativity can come from anywhere in the UK. That is one of our great strengths. It is just that you should not have to move to London to realise that talent or ambition.
We should see a lot more returning series from around the UK. Whether that is in the south-west, the north-west, the north-east I am neutral on because I have a highly competitive membership and I would much rather they all developed and pitched great ideas going forward.

Q626 **Damian Green:** If we ended up with a less strong PSB sector, do you think this particular type of geographical diversity would be lessened?

**John McVay:** Absolutely. It is one of the public purposes, particularly of the publicly owned and publicly financed broadcasters like the BBC, and also ITV and Channel 5. It is a creative and commercial opportunity as well. We know great stories are out there. It is the job of commissioners, producers and development executives to find them and get them on air to the quality and standard that make them competitive. That is why I am very pro inclusion and diversity. I think we are missing a lot of tricks as an industry because we are not as inclusive and as open to new talent as we should be.

Q627 **Giles Watling:** At the beginning of the Covid-19 crisis, Channel 4 ring-fenced £5 million—I think it was—purely for programming on Covid-related material. It was for small production companies out in the regions and BAME-led production companies. Did any of Pact’s membership or, indeed, B Inclusive Task Force members see the benefit of that budget?

**John McVay:** I will let Jacqueline answer shortly. Yes, we did. That was very welcome. I also pressed for both Channel 4 and the BBC to increase their research and development budgets, particularly for smaller companies, because one of the experiences we had in the last economic recession was that many companies weathered the storm in terms of a lack of production and commissioning, but when the market recovered and commissioners were saying, “Let’s see your new ideas”, most people had spent all their R&D funds just surviving and did not have a slate of ideas to take to market.

Thankfully, both the BBC and Channel 4 stepped up to the plate and increased their investment in R&D during the early stages of Covid. We have yet to see the results of that. That was very welcome because it is normally when you recover, coming out of a recession or something like this, that companies fail, not normally in the depths of it. It is normally when the recovery starts that they fail.

Q628 **Giles Watling:** Therefore, you do not think it was enough funding that Channel 4 particularly brought up?

**John McVay:** Channel 4 has taken a huge hit on its advertising revenue. Given its model, where Channel 4 only has money to spend if it makes it from selling advertising, that is more understandable. I think Channel 4 did the best it could in the circumstances. In fact, those companies that made some very innovative programming on very low budgets did well to deliver that good programming, and it kept them in production. It kept people in work.

Q629 **Giles Watling:** But there is the old adage: you speculate to accumulate.
Did they speculate enough, perhaps? Jacqueline, any thoughts?

**Jacqueline Baker:** I certainly welcome things like the BAME accelerator scheme, which is run by Channel 4. I thought that was valuable. I know ITV did a series of shorts as well. It is important for these initiatives to be ongoing. Black Lives Matter, for people who are not a person of colour, may feel like it was just a moment where everyone was talking about it, but for people who are black, Asian or from other ethnic minorities this is something we are living every single day. Now we have seen initiatives that are successful, we need to see continued support for initiatives like this, continued funding put into BAME-led indies and BAME-led development teams.

Also—and this is a really crucial point—as a person of colour I do not want to be hired just because I am black. I do not want to be hired because you are making a black programme. I do not want to be hired because it is something to do with my ancestry. I have myriad hobbies and interests. I love entertainment shows that are cheesy and full of glitter and fun and are happy and joyful. I do not always want to work on something that is linked to trauma and pain.

The other thing I would highlight is that you can hire people of colour on any production. It does not have to be something that is linked to some sort of BAME-led narrative or stereotype. We enjoy working on a variety of different programmes. This is why I am so keen on inclusion being part of the conversation, because it isn’t just about hiring a black crew because you are making a documentary about enslaved people from Africa. It is also about a black PD on a prime-time, fun, glittery show like *Strictly* or you can—

Q630 **Giles Watling:** From that, I gather you are a *Strictly* fan—

**Jacqueline Baker:** I am.

**Giles Watling:** —but what you are saying, though, is that the funding should not be ghettoised. It should be inclusive and create diversity, but it should not be just for one specific kind of programming that would be, as you say, the miserable side of life.

**Jacqueline Baker:** It is more that it should not be siloed. As a black British person, the first programme I saw that I felt represented me was Michaela Coel’s *Chewing Gum* and then *I May Destroy You* because that felt authentically black British to me. So when we are employing, whether it is a BAME-led indie or person on crew, what we need to ensure is that we are showing the breadth and the nuance within the black community, whether that is in African, Nigerian, Guyanese, Jamaican or Trinidadian culture or whether it is Asian, Hindu, Sikh or east Asian. There is such a breadth and nuance and richness in all those cultures.

You mentioned the word “ghettoise”. It is so dangerous to constantly have programmes that perpetuate one single aspect of your cultural identity, because what happens is that I go out into the world and people have perceptions about me as a black British woman based on what they
have seen on TV. As much as we often talk about digital and how young people look to other avenues, TV does have an impact on the perceptions people make up about you. It is a window on the world for many people, so we just need to represent that breadth.

Q631 **Giles Watling:** Yes, that is very well put. It would appear from what you are saying that diversity isn’t so much the onscreen presence, because I think 22% of all onscreen TV appearances last year, acting and presenting, were from the BAME community; it is in the boardroom and behind the scenes and all of that. That is where you feel the BAME community is underrepresented. Is that so?

**Jacqueline Baker:** I definitely feel onscreen representation has improved. I still believe there can be more variety. You do not always have to have the Muslim woman who is a terrorist. They can also be a teacher or a driver or something like that, so there is certainly room for improvement in variety.

The main thing I want to impress upon the Committee today is looking at that mid-level and allowing people at mid-level to progress further up those ranks to the boardroom or even leading management teams, whether that is in broadcasters or heading up indies in the indie sector. That is really crucial because ultimately, creatively, that is where the buck stops and that is where the final decisions are made. How do you ensure that the experiences of different racial groups are being told authentically if the person making or, at least, involved in that final decision hasn’t had some of that lived experience?

**Chair:** That concludes our session. We are now going to move into private session. I just want to put on record my thanks to John McVay, the chief executive of Pact, and Jacqueline Baker, co-founder of B Inclusive Task Force, for their evidence this morning.