

Scottish Affairs Committee

Oral evidence: [Proposed STV cuts, HC 1398](#)

Tuesday 28 October 2025

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Watch the meeting

Members present: Patricia Ferguson (Chair); Harriet Cross; Dave Doogan; Douglas McAllister; Susan Murray; Jack Rankin; Elaine Stewart; Kirsteen Sullivan.

Questions 1 - 106

Witnesses

[I](#): Nick McGowan-Lowe, National Organiser for Scotland, National Union of Journalists; and Philippa Childs, Head, Bectu.

[II](#): Rufus Radcliffe, CEO, STV; and Bobby Hain, Managing Director, Audience (News, Regulatory and Audio), STV.

Examination of witnesses

Witnesses: Nick McGowan-Lowe and Philippa Childs.

Q1 Chair: Good morning and welcome to this meeting of the Scottish Affairs Committee. We are looking at STV's proposals to cut jobs, particularly around news programming, in the north-east of Scotland. Welcome to our first panel this morning. Can I ask you briefly to introduce yourselves and say what your role is? I will start with Philippa Childs.

Philippa Childs: Good morning and thank you for inviting us. I am the Head of Bectu. Unfortunately my colleague, Paul McManus, who is based in Scotland—and would be much more across the subject than I—is on leave, so I will do my best to cover the Bectu perspective.

Nick McGowan-Lowe: I am the National Organiser for Scotland for the National Union of Journalists. Again, my General Secretary sends her apologies to the Committee for being unable to attend.

Q2 Chair: Thank you very much. We are very glad you are here this morning. We will go straight into questions and I will ask the first one. To what extent do you think the cost-saving plans proposed by STV are necessitated by financial pressures in the business itself?

Nick McGowan-Lowe: First, the National Union of Journalists is sensitive to the commercial pressures that STV finds itself under. We are very sensitive to the commercial realities, which are true for broadcasters, publishers and across the media industry, of having to adapt to monetarise content or fund content at a time where consumption of news patterns are drastically changing. That is not unique to STV. You find it in the BBC, in newspaper publishing and online. We need to place this into immediate perspective. STV is facing an immediate financial shortfall. As such, it is asking to be released from its public service broadcasting obligations, particularly by axing the STV North edition of the "News at Six".

It bears scrutiny to put into perspective the financial issues that it faces. It is a company that has regularly, more or less, returned around £20 million profit. It is facing a bad year and it is looking to make £3 million worth of savings on top of the cost savings it was previously doing. However, the immediate difficulty it is facing is the £400,000 shortfall in the first six months of the year compared to the first half of 2024. We need to see what the company has been doing in that time.

First, we know that its income comes from its studio division, where it makes productions for others, and that can be seen in advance for about 18 months. We have an order book of that work coming in. It is also from advertising, particularly on linear, and that advertising revenue is strongly linked to consumer confidence and that income can be very variable. It is very hard to see into the future. At the moment, we know that that advertising is linked to certain big events, for example, last year



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we had the Euros and it had a good financial year on top of that. Next year we have the World Cup and I think we can predict that there will be good financial results on top of that. At Holyrood, Rufus Radcliffe said he could not predict that the World Cup would have any effect on advertising, but I would invite you to reach the conclusion that that seems slightly implausible.

We are in a year where we do not have these big events that prop up advertising and that itself has fallen. That is linked to consumer confidence, but we are going into Christmas. What I am saying is that the income that STV traditionally faces is variable. It is inherently variable and that is reflected in its business model. It is having one bad year and it is looking to be released from its public service broadcasting obligations as a result. When STV's profits increase and if it is allowed to make the changes that it wants to do, if it is allowed to make the cuts that it is doing, they will not be restored in good years. They will not be restored in other years and we must place what are looking to be long-term cuts affecting all of Scotland in the context of one bad year for a commercial company.

Chair: That is helpful. Philippa, would you like to add to that?

Philippa Childs: We all recognise that the environment is very difficult for broadcasters currently and they all face the same sort of commercial challenges. Like Nick, we agree that this is a bit of an unexpected kneejerk reaction, certainly from our perspective and our members' perspective, when there are already plans in place for cuts going forward. We do think that this is short-sighted. We do think it will be a mistake and that it will impact the whole of the creative industry skills across Scotland should this decision proceed.

Q3 **Chair:** Thank you. Do you think there were perhaps intermediary options that STV could have pursued to address those financial pressures before resorting to this kind of change? I will go to Philippa first this time.

Philippa Childs: Yes. In normal circumstances our expectations would be that there would be dialogue around financial challenges and what alternative decisions could be made. Certainly our members feel that this is death by a thousand cuts, that they are facing the full extent of these cuts and that certainly the management hierarchy do not face the same challenges. We do think that there are alternatives and that if they had spoken to us about those alternatives for making change we would have engaged in that conversation, as we have always done with STV. As Nick said, this is a situation from which there is potentially no going back, so this particular set of options is a mistake.

Nick McGowan-Lowe: On the question of would we have preferred the company to have engaged with us, it is absolutely clear. When the decision was made that it was going to axe "News at Six", I have to say first that it was not communicated in advance to the unions, as is typically the case. It was described to me by someone quite senior within



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STV News as the nuclear option. It has gone for the nuclear option. It is unclear what other options were considered and to that extent I do not feel that STV has been entirely open with us about the financial situation. The truth is I do not think it has been open at all with its shareholders or anyone else.

In March this year Rufus Radcliffe, who you will hear from later, the Chief Executive, told shareholders that the foundations of the business were strong. In May the Chief Financial and Operating Officer said, "STV has proven itself to be a highly cash-generative business. We believe the strong cash-generative business of the nature is set to continue into the future". That was in May. That was the same May that they announced that they were launching a radio station, which they are spending £500,000 on this year and is not expected to make a profit until 2027. It is fair to say that is a financial model and venture they are going into and spending money on that is not part of their public service broadcasting obligations, but they are spending money on it regardless.

They spent £500,000 upgrading the Aberdeen studio at the same time. That came online in August. None of these things add up to the idea that this company had a cohesive plan going forward up until when it put out a profits warning in July 2025. The immediate effect of putting out the profits warning was the share price dropped by a third in a day and has not recovered. Even with the announcement of these plans it has not recovered. We believe that the company's plans stem from that. STV is vulnerable to a takeover, more vulnerable than it has been for a long time.

They are doing a kneejerk reaction to try to cut costs to fund a radio station, which they are not obliged to do, and in no way does that radio station mitigate the news content that would be lost from STV North. It is aimed at a different age group, 35 to 45, and it is not news-led. The idea that they are pressing ahead with that while facing this, but also cutting what is already a very lean news operation down, is something that I think both the unions found utterly and completely astonishing.

Q4 Chair: Do you think they should have foreseen the changes in the market before signing the new licence?

Nick McGowan-Lowe: I have not heard a cohesive argument from STV about why the change in the supply or the audience for public service broadcasting was not something that was foreseen because Ofcom has been talking about this for decades. It has been predicting this for decades. The new licence came into effect on 1 January 2025. It was announced in March 2024, but for two years prior to that they were in discussions with Ofcom about this and they made no argument that they wanted to change that provision. Now they want to rip up that 10-year obligation months into it, before the ink is even dry on it. I have seen no cohesive reason why that should be allowed.

Q5 Chair: You mentioned £500,000 spent on the studio in Aberdeen. Is that



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the new studio?

Nick McGowan-Lowe: That is correct. There was an existing studio but both the Aberdeen and Glasgow studios were upgraded. All that money that was spent, including up until about a month ago—I think there was a £30,000 camera that was still being delivered—the plan is simply to mothball it in the Aberdeen studio.

Chair: Philippa, did you want to add anything?

Philippa Childs: I think we have all been talking about the challenges for broadcasters around advertising revenue for two or three years now, so absolutely these challenges could and should have been foreseen. That is part of our concern, that this has come as such a surprise and, as we said earlier, a kneejerk response to something that should have been foreseen.

Chair: Thank you very much. I am going to pass now to my colleague, Dave Doogan.

Q6 **Dave Doogan:** Thanks both, and it is nice to see you. The £3 million recurring savings the company is looking to make, rough order, funnily enough is about an average salary of £50,000, which comes out at 60 jobs. Is your assessment that its entire savings plan is predicated on cutting 60 jobs out of the north?

Nick McGowan-Lowe: Clearly they are looking to go to Ofcom. One of the things that it is asking Ofcom to do is to reduce the five-minute drop-in bulletins for Edinburgh and Dundee. They say they are disproportionately costly although they have not shared that cost with us. In broad terms the numbers that you say, I did the same maths and came to the same conclusion.

Q7 **Dave Doogan:** To confirm, because I think you have covered it, so we do not need to spend too long on it, how would you characterise the engagement of the company with the trade unions and/or staff in the run-up to this?

Nick McGowan-Lowe: I will go ahead. I have been in the room with the STV. I have been negotiating on pay and other issues for several years now and the company always talks that it wants to have a culture of openness with the unions. I am sorry to say that I feel there have been several aspects of this in which the company has fallen short. Typically when we enter into a collective consultation, which the company is legally obliged to do because it is making between 20 and 100 redundancies in this case, we see proper plans drawn up of what the company wants to achieve, where it intends to achieve it, where the job cuts are intended to come from and what they are intended to look like.

Those are written down and then the unions can enter meaningful consultation where we say, "That is a plan. We hear your challenges. We see what you are trying to achieve and here are alternatives where we



feel can do the same thing" and that is a well-established point of trade union organisation. The first thing to say is we have not had that from the company. There has been no cohesive plan that has come down, apart from it entered into a two-week window for applications for voluntary redundancies. That is the first step.

Secondly, it is fair to say that we need to separate off two things that the company says it wants to do: the first, for which it needs Ofcom approval, and that for which it does not need Ofcom approval. The changes that it says it does not need Ofcom approval for and intends to go ahead with anyway are equally, if not more, devastating than those that would be part of the Ofcom consultation. At the last meeting I had with management I had to drag out of them what those changes meant. They are saying that the production and presentation of the STV North programme, which is currently presented in Aberdeen and produced in Aberdeen and goes out live, can be moved to Glasgow.

Upon questioning, they said that will result in nine to 10 roles being put at risk. There may be mitigating roles but they would not be in Aberdeen; they would be in Glasgow. This is stuff that should be volunteered and we should enter into a consultation on that. I was absolutely appalled to find out that the company is already beginning conversations, albeit informal, with those that it intends to put at risk without entering into any meaningful consultation with the unions over that.

Q8 Dave Doogan: Are these individuals members of the union?

Nick McGowan-Lowe: They are members of the union and they are significant players within STV North. When I discovered that these conversations were taking place I wrote to management and explained to them their obligations for collective consultation and asked them to assure me that no further conversations would take place with individuals until the unions had seen clear plans and could consult on those. I am sorry to say that a week after writing to the company in very clear terms I have not even had the courtesy of a reply. This does not strike me as a company that intends to engage with any other party over this and has made it absolutely clear that whatever Ofcom decides it intends that the STV North programme should be presented and produced from Glasgow.

If you will indulge me for a second, I need to make clear what the practical implications of that are. There is one studio in Glasgow and you cannot produce two live programmes at the same time from one studio. In fact, that studio is in constant demand during the day. What it means is that the STV North programme in Aberdeen would be produced and filmed, pre-recorded, probably around 3 pm or 4 pm. That would fundamentally alter the type of news it can do. For example, any news that is likely to change by the end of the day is not going to happen. That would include Holyrood; it would include court cases.

To take one example from last week, the Sheku Bayoh inquest judge decided to step down. That took place late in the afternoon. It was the



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biggest news story for the next 48 hours and it would not have been covered in STV North because if you are pre-recording a programme, you simply cannot do it. Even the changes that they do not need Ofcom permission for are absolutely devastating to the north of Scotland.

Dave Doogan: Thank you. Philippa, did you want to add anything to that?

Philippa Childs: Certainly my colleague, Paul McManus, would say historically that we have enjoyed a good dialogue with STV and have had a positive relationship with them, but he has definitely been taken aback by this approach going forward. When you ask if there is a plan that has been shared with us, there is not a plan, because as you said, that amounts to 60 jobs, which is something like 10% of the workforce. As Nick says, it is hoping to achieve that through voluntary redundancy, which does mean that it is talking about taking people out from all sorts of different parts of the business, which is not a coherent plan. It does lead us to describe it as death by a thousand cuts, because while those posts may disappear, our experience says that unless there is a coherent plan about what work stops, the work continues and more is expected from less people.

Q9 **Dave Doogan:** Very quickly, because we have a lot to get through, the dynamic that has been emanating from STV with this unilateral approach to its ambitions and fulfilling its ambitions, has that been consistent throughout up to and including the hearing at the Scottish Parliament? Does it remain the behaviour to this day, this unilateral, "This is what we are going to do" approach?

Nick McGowan-Lowe: It has. I think the company did not predict the level of opposition; I think it thought it could get through the changes; I think it thought the regulator would be more compliant; I think it thought the politicians would be quieter; I think it thought the viewers might not notice. The real thing is it knows that STV North is a successful programme so I do not quite know why these things came as a shock. It strikes me with respect to the next panel there is a little bit of a bunker mentality, when maybe this is a time where the company should take a step back, maybe committing itself to the outcome of the Ofcom consultation before making any changes, reflecting on that and sharing more information with the unions. That is the only cohesive way forward for them. If they continue the way they are going, they will undermine what has been, as Philippa says, many years of good industrial relations.

Q10 **Kirsteen Sullivan:** Touching on the lack of engagement up front with STV, do you feel that the role of the trade unions has been undermined, given the lack of that constructive and up-front engagement that you are used to in a way that does not allow you to engage with your own members?

Philippa Childs: It is difficult if we do not have answers to the questions that our members are putting to us, but in an ideal world there would be



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an open dialogue around potential changes. We would be able to share much more detail with our members because we would have a better understanding of what the proposals mean for them, but also what the end game for the company is. We have had lots of engagement with our members but clearly they are in some ways in the dark, in the same way that we are, about some of the plans.

Kirsteen Sullivan: It very much seems to be a departure from the norm.

Nick McGowan-Lowe: Certainly I would say so. The first thing I would say is the unions are strong at STV. We have good, solid membership; we have strong, motivated chapels; we have excellent reps. STV employs very talented individuals across the board. We are lucky to have some of them as our reps and certainly as our members. Certainly within the NUJ you will be aware that the NUJ held strikes on pay last year. We had two strike days in which we took STV News off the air, simply because you cannot produce journalism without journalists. The NUJ's relationship with its members is strong. I went in personally to see the chapel last Friday to have that talk to members to hear their concerns and that has continued.

What we have to say to members is when we do not have a plan and that management have not given us a plan. We can say what we have done and it is regrettable that this does not come as a surprise to our members who work in the various offices of STV day in and day out.

Q11 **Douglas McAllister:** It may be too early to say but do you know how many of your members are likely to accept or to agree to a voluntary redundancy package? Is it likely that management would have to move to compulsory redundancy?

Nick McGowan-Lowe: The VR window has closed. I do know the figure, but I am not sure if I am at liberty to reveal that, so I would not want to divulge something that perhaps has not yet been done. I do know from the voluntary redundancy applications that have been received—and the company is not obliged to accept them all—it would be less than half of the cuts they are intending to make. That is both across the business, where they are looking to make 60 cuts, and across the newsroom, where they are looking to make 30 cuts.

Q12 **Elaine Stewart:** Thinking about the staff in the Aberdeen office, what impact is this having on them and what mechanisms has STV put in place to support that while the consultation is ongoing?

Nick McGowan-Lowe: The Aberdeen newsroom is a particularly lean operation but also a highly successful one. I think there are 37 staff up in Aberdeen. They are very engaged with the local community. They have a 41% market share for the STV North "News at Six", which is absolutely phenomenal. STV knows that the "News at Six" programme is successful because it has that market share. It knows it is profitable because the



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advertising is well above schedule. It knows it is loved by viewers because there has been a huge public outcry. It knows it is respected by the business community because of the coverage that it gives, which is bespoke to the area. Fundamentally, STV has also managed to unite opposition from the leaders across the five political parties.

It was with astonishment that our staff in Aberdeen, in one of Scottish media's great success stories, found that that was to count for nothing and that there are proposals to axe that programme. It is not just among our staff; it is not just about jobs. It is about journalism. It is about the very distinctive local news that STV North puts out. I can think of several examples, but one immediately from this Committee: this Committee produced the report on oil and gas. In STV Central, based in Glasgow, that was not covered at all in the "News at Six", if I recall correctly, but it led the STV North "News at Six" because it is highly relevant to the Aberdeen community, the Highlands and Islands and all the other communities that it deals with there.

Producing that local news for local communities, embedded in the communities, has been an absolute success story for STV. The idea that they want to rip this up because of a bad financial year I think astonished staff based in Aberdeen and Inverness.

Philippa Childs: My understanding is that sales and creative staff regularly meet and exceed their targets for local and regional advertising income. Local and regional advertising, particularly in the north, will likely suffer, as local companies will not see the value in paying for advertising in one diluted programme covering areas that they have no market reach in.

Q13 Elaine Stewart: If the plan were to be accepted, what impact would this have on the remaining staff in Aberdeen and Glasgow?

Nick McGowan-Lowe: First, the plan as it stands now to plough ahead with moving production and presentation—if we start with that—to Glasgow, regardless of any Ofcom consultation, is arrogance beyond belief. We would see between nine and 10 job losses there. There may be mitigating roles but that would be the immediate problem. It would then come to the point of simply being unsustainable. What staff do you have? You have an expensive studio that is now mothballed. The cost of that studio can be measured in the jobs that are about to be cut. It is the shortsightedness as well. That studio, if the dust covers are thrown over it, will be a monument to the shortsightedness and the financial mismanagement of the company.

As I say, STV has defined itself on doing things differently from say "Reporting Scotland" and the 18.30 programme, which is anchored from Glasgow and having that news. Fundamentally, if we even go back to when it was the Grampian franchise, it would be the last nail in the coffin for that. You would end up effectively with one licence essentially for STV North and STV Central and you would see the cultural centre of Scotland



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shifted down towards the M80. You would see the lack of understanding of individual issues as they impact Inverness, as they impact further north and the islands. Caithness is not Cumbernauld; Elgin is not Edinburgh. They have these separate communities within Scotland and to lose that connection with the communities can only result in a worse product and hasten viewer decline.

Elaine Stewart: Not only would it have a huge impact on staff but it would have a huge impact on those communities concerned.

Nick McGowan-Lowe: Yes, absolutely, and they depend on it. Particularly if you look at the viewership figures for who watches STV News it is predominantly those over 55, especially over 65. These are demographics that depend on the news to find out what is happening in their local communities, things such as weather and travel and even local democracy. They are not a group that easily switches to getting their news from alternative sources. My mother watches STV News avidly. She is not going to get it from TikTok. She benefits from watching STV North and seeing what is there, watching the Dundee opt-out and so on. There is an entire demographic among the 1.3 million who are covered by STV North who rely on it for their news and will not be able to get that quality coverage elsewhere.

Philippa Childs: I want to add that the staff directly employed by STV are important, but so are the freelance community in the north who get some of their work through STV. We are concerned about the broader impact on the creative industries and skills in the north should these plans go ahead.

Q14 **Dave Doogan:** So 37 jobs in the newsroom in Aberdeen; is that right?

Nick McGowan-Lowe: My understanding is there are 37 employed at the Aberdeen office. I am not able to break that down further.

Q15 **Dave Doogan:** Okay, but the £3 million recurring savings is predicated on 60 posts. Where do we think those other 23 posts are?

Nick McGowan-Lowe: I would tell you if I knew, but I do not.

Dave Doogan: That is a problem in itself.

Nick McGowan-Lowe: I am not in a position to say where the company intends to take jobs. I do know that it has had VR applications. I do not know where it feels it can accept those because it has to then work out how it will cover those roles or what it is going to do less of. It is not quite as simple as that. These cuts that are proposed are damaging not just for STV North, but for STV Central and the newsroom overall. Again, the Glasgow, Edinburgh and Dundee operations are very lean, very efficient, with great journalists doing great jobs, but there is not much fat to cut because they are very good at their job. They produce a great product but that is going to suffer if any cuts go ahead on this scale.



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Philippa Childs: Our understanding is that the cuts could come from a range of departments, including sales, creative, finance, admin, transmission, cameras and post-production, so quite widespread.

Q16 **Kirsteen Sullivan:** You have already outlined why the changes proposed by STV are so significant for local journalism. Is STV alone in wanting to make such huge changes regarding the reporting of local news?

Philippa Childs: I suspect not. That is our concern, that this would set a precedent that would be concerning for the rest of the UK. We are concerned that this does set a dangerous precedent, but it is obviously particularly concerning in Scotland currently.

Nick McGowan-Lowe: Coming to the trends that STV is tapping into, we see it quite a lot in the newspaper industry. We have just been through a very damaging round of cuts with Reach Scotland, the publisher who owns *Daily Record*, *The Mirror*, *Scottish Daily Express* and *Daily Star* as well as 16 or 17 local newspapers. The trend that there has been in newspapers for many years, and Reach is especially guilty of, is to try to cut down local journalism to the bare minimum and pad it out with shared content in the middle. It is the equivalent of a baker putting sawdust in the bread and steadily increasing that and wondering at what time the consumer will notice.

To give an example, Reach placed 17 journalists at risk over the 17 titles and kept just five of them, so you have one reporter working across three, four or five titles to fill it out with local content. That is simply unfeasible. STV want to do the same. It says, "We are producing two news programmes; wouldn't it be wonderful if we could produce one and wouldn't it be wonderful if Ofcom would let us?". The difference that we have in broadcasting is that they have public service broadcasting obligations that they have freely entered into only a few months ago and they should not be released from that because of a bad financial year.

Q17 **Kirsteen Sullivan:** What do you think should be done to protect the health of local journalism and broadcasting? We have already heard how important that is to local communities, particularly among certain demographic groups.

Nick McGowan-Lowe: The very first thing to say is the decision by STV to plough ahead with moving production and presentation to Glasgow, regardless of any Ofcom consultation, even before potentially that has finished, is arrogance beyond belief, but there are other changes. The NUJ is absolutely sensitive to the changing nature of news consumption. It completely understands that commercial companies need to make a profit. It completely understands and is willing to look at flexible ways of working. It is looking for ways where that can happen, but what we are ultimately here for is to defend journalism and to produce quality journalism.



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The "News at Six" is an absolute success story in both central and north and it should be defended. It is being done on a very efficient model. We have a company that has millions of pounds of turnover. The revenue figures, if I go back to my notes, are something like a drop from £90.4 million to £90 million and that is what has precipitated this crisis. That is between the first half of 2024 and the first half of 2025. We are dealing with a very large company that has a lot of production houses and STV News is a very small part of that. We are looking at maybe 150 jobs out of the 550 across the organisation, yet that small part of the organisation faces a disproportionate amount of the cuts. It faces half of the cuts proposed. That cannot go ahead. There are other areas for efficiency within this organisation while still producing quality news output.

Q18 Kirsteen Sullivan: What do you think should be done in general to protect the health of local journalism? We have heard how important it is and we have heard what the challenges are. I would like to get a feel for what you think the solutions could be or how we protect that delivery of local news.

Philippa Childs: Ofcom plays a key role in this and that is why we believe that the consultation should be meaningful and forward-looking. We have seen this before in terms of the cuts that the BBC has delivered in news. Local communities feel very strongly about their local news and making sure that they hear their local stories and can tell their local stories. There is a need for a real consideration about how we protect local news going forward. As I said at the beginning, Ofcom plays a huge and important role in that respect.

Q19 Kirsteen Sullivan: Do you feel there must be a wider conversation to discuss the challenges about how you protect the delivery of local news?

Philippa Childs: Absolutely. I think there most definitely should be.

Nick McGowan-Lowe: For the last five years, NUJ has been trumpeting about the News Recovery Plan. Going into covid we predicted that this would be a fundamental change in newspapers and broadcasting. We set out a plan back then under the General Secretary, Michelle Stanistreet, of what that would look like coming out of the pandemic. It deals with a great deal of issues, from ownership models to individual initiatives, that have been taken up by devolved Administrations at the Senedd and Holyrood.

Cohesively there is a plan. First, journalism needs to be properly funded to do what it does. It needs to have the ability to look at changing trends, work out where audiences are and adapt to fit those audiences. STV has talked about linear broadcasting and also digital, but the truth is its digital audience comes from worldwide, whereas the linear one is extremely geographically targeted and that is where it is most valuable.

The third is not accepting the inevitability of decline. With adapting to new methods of getting the news across, there is a fatalism that you see



within print newspapers that whatever is done there is going to be a decline. That is true to a certain extent, but you see newspaper organisations that are successful and drive, for example, digital subscriptions or other models and can sustain an income and even in a print product can stymie the decline, as opposed to Reach, for example, which routinely accepts a 20% decline and responds by putting up the cover price.

- Q20 **Kirsteen Sullivan:** If I can ask one final point, the News Recovery Plan, did that come out of STV or was that a national plan? Where can we view this plan?

Nick McGowan-Lowe: The NUJ's News Recovery Plan was something across the journalism industry for protecting journalism, of encouraging new models of journalism and new ways of finding new audiences and so on. I would be happy to share the details after this.

- Q21 **Susan Murray:** How will the future of the Aberdeen news programme affect the future jobs in the pipeline in journalism in the north?

Nick McGowan-Lowe: A month ago I was up at Robert Gordon University, which has an excellent journalism course. I think it has about 80 students on its books. It has very good connections with STV and other local news organisations and is very successful in placing students into that. STV's operation fits within a media ecosystem. There is a real danger that if a key component of that is scaled down, STV's operation in Aberdeen, it will have a knock-on effect to other publishers and broadcasters to say, "It does not matter what happens in Wick. That is a long way away and most of its audience is in the central belt. It does not matter what happens in Lerwick" and so on. It would allow them to do that.

The fact that STV North has ploughed away and said, "This is local news. This is what we are doing" sets a very different news agenda, as I have said, because it understands the needs of viewers in Aberdeen, Inverness and the Western Isles and so on and is able to go ahead with that is encouraging those people who are based in Aberdeen or Inverness and want to go into journalism and can find a route into it. There is other great journalism that is happening already with DC Thomson and Highland News & Media and so on, but I must say the importance of STV North, if we take it out of the equation, as STV seems determined to do, will have a knock-on effect of feeding through new journalists, producing new stories and so on and becoming the journalists of the future.

- Q22 **Susan Murray:** That is interesting. I am a graduate of Robert Gordon myself and I know the effectiveness of courses that give people experience in the industry. Who do you think are going to be worst affected in terms of the current and future workforce by this change if it goes ahead?

Nick McGowan-Lowe: I will phrase it differently. I think the worst affected will be the viewers and the worst affected will be local



democracy, but you asked about the workforce. Within individual job roles I would love to tell you what the plan is, what the Aberdeen office will look like in the future, but the company has not shared those plans with us. I am coming to the opinion that it does not have a plan of what that would look like. The idea of the knock-on effect of the sustainability of the Aberdeen newsroom, of having the presentation there, of having its own product that it controls, will be taken away by these cuts, even without Ofcom approval, if STV continues doing what it says it plans to do.

Q23 Susan Murray: If Ofcom approves the cuts, do you see that there is a way of mitigating those cuts?

Nick McGowan-Lowe: If Ofcom approves the cuts that is one thing, but we have a second battle. That is the changes that STV say it does not need Ofcom approval for, which are moving production and presentation away from Aberdeen. Those cuts would be equally, if not more, devastating for the STV North programme.

Q24 Jack Rankin: You make a compelling case for local journalism and the passion with which you support that and your members must be commended, but can I suggest there are some macro trends at work? You have described this as a kneejerk reaction to one bad year commercially, but Mr Radcliffe at Holyrood described the viewership as down 23% year-on-year, based on last year. There is clearly a huge shift in viewer behaviour. That is not unique to STV but it must be a challenge for public service media more broadly. Mr McGowan-Lowe, you talked about the News Recovery Plan, but can I invite you both to suggest some positive proposals that respond to this shift in viewer behaviour to digital platforms? This is a macro challenge.

Nick McGowan-Lowe: First, when Mr Radcliffe spoke to the Culture Committee at Holyrood, he did, rather remarkably, come out with the line that no one is watching the "News at Six" to find out what is happening and needed to be reminded that 330,000 had watched it the previous night. It is the most watched programme in its time slot on that night, apart from "Celebrity Traitors". That is a success—I think we can give "Celebrity Traitors" its due.

First, if we are comparing the first half of 2025 in viewer figures with that with the first half of 2024, we must look at what other changes STV made. One of its most significant changes was altering a winning formula of having two presenters on the 6 o'clock programme and taking that down to one. That change has contributed to that viewing decline. We are not quite comparing like with like. The reason of having two presenters is it is very different from "Reporting Scotland". Viewers loved it; it worked well; it was a good format. The company decided to change that winning formula, so I think when we are looking at the decline in viewing figures we must look at whether perhaps there is an element of self-sabotage in that.



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I will go to the macro-economic model. The company's adjusted operating profit has gone from about £25 million to £20 million for 2023-24 and now it is looking at maybe £11 million to £13 million for this year coming. It is a drop. It is a significant drop, but I think the company has taken commercial decisions that are in there. It took a lot of commercial decisions to buy production houses. It spent a great deal of money on those and clearly that is not paying off because the productions at the moment are not coming through. There is a decline in advertising but that is cyclical. It is linked to consumer confidence. If there is a good Budget, that could pick up. It could pick up over Christmas; it could pick up going into a World Cup year as well. The decline we have seen in odd-numbered years when we do not have the Euros or a World Cup is the same.

The company is a very large company. The losses it is talking about of £400,000 are relatively small in the scheme of things. To impose these £3 million cuts as a result, I think, is the company using that as a fig leaf to push through changes that it wants to make, so it knows in future years it can have more profit. It will give those profits to shareholders and executives. If we look at the dividend that STV has been paying to shareholders, it is typically around 11 pence. If we look at ITV, which owns all the other licences on the Channel 3 network, they have been returning 5 pence solidly. That is money that is leaving the company. That is typically around £5 million that is leaving the company to go to shareholders to pay them twice the amount that ITV shareholders would be receiving.

Philippa Childs: You are right, it is a very challenging environment for our broadcasters, particularly the public service broadcaster, so I agree we cannot put our heads in the sand and pretend that everything is fine. I do think there are initiatives that the broadcasters are taking or looking to work together on to make that environment a better one. I think STV must look for themselves in terms of where their money is coming from and where they can expand and look at some of the profit-making parts of the business to see how they can build on that.

Q25 Harriet Cross: I want to understand a wee bit more about the coverage and the impact this will have on coverage and relevance of news to viewers in the north of Scotland. My understanding is that there are about 1.3 million people covered by the licence in the north of Scotland, a huge number, particularly if you look at the proportion of the Scottish population. It is huge, but it certainly seems that this plan will remove the relevance, the locality of the news and bring it down to the central belt. Stories such as oil and gas, farming, rural affairs—things that are key to the north of Scotland—will get lost, almost understandably, because it is just not what viewers in Glasgow and the central belt will be looking at. What is your assessment of the impact this move will have on the relevance of news to north-east viewers? Also could you respond and comment to STV's view that this will result in more news for more people? To me it feels like it will be less relevant news for fewer people in



the north-east.

Philippa Childs: You have absolutely put your finger on the point that we are fundamentally concerned about. As you say, moving the news output to Glasgow is likely to mean that it is much more focused in that area and that people in the north are just not going to hear stories from their own environment and their own locality. That is the number one concern that we have about this proposal.

Nick McGowan-Lowe: You make an eloquent point, which is very much along our thinking and understanding of the situation. It is not so much about the issues that are covered, but it is also things such as extreme weather. We are going into winter. There will be extreme weather in Scotland. How that will affect Elgin or Inverness or wherever is going to be very different to how it affects the M8. You can guarantee that there will be a day where one of them will be blocked by snow and the other one will not and dragging that cultural centre of an extremely culturally rich area of Scotland down to the central belt will also produce less coverage for local MPs and local MSPs. Even with things such as sports coverage and so on, it will have a knock-on effect. That programme is vital to 1.3 million people in the north of Scotland and Angus and Dundee, and taking that and diluting it down to be effectively a Scotland-only programme will have a devastating effect on that.

Q26 **Harriet Cross:** Quickly on the digital side and the move to digital access and coverage, you mentioned previously that the digital figures are more a worldwide indication and how linear is more what we are seeing at home. Do you have figures to show what parts of the country or where the difference between linear and digital is at the moment and how those might be impacted or otherwise with the change?

Nick McGowan-Lowe: I am not at liberty to share those digital figures. What I can say is that we know the STV North programme on linear has a 41% market share, which is the kind of market share that outperforms everything else in that timeslot. The STV North programme is particularly strong on that. In selling advertising, STV has built a brand around that with the local communities. It is planning to go ahead with the radio station. It says it will only spend £500,000 on it, which it told shareholders is a relatively small sum in the scheme of things. I think the journalists whose jobs it is intended will be axed to pay for it would see that very differently.

Then you are going to have the advertising salespeople for STV having to sell advertising and decide whether to sell it to radio or to TV. If companies have a limited budget, are they simply shifting the same amount of money around away from TV on to an unproven radio station?

Philippa Childs: To add to that, we are concerned that the radio station it is entering an already busy market so we are not convinced that that is a good business plan at all. STV has no expertise in radio currently so that is one of the reasons we think that is a mistake.



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Nick McGowan-Lowe: It is fundamentally true, to come back on that point, and I was at a presentation at Ofcom last week that made exactly this point. STV entering into the radio market is not going to grow that market. The radio market is pretty stable, regardless of who is in or who is not. You are just shifting people around. The question is: who is it going to take those listeners from? By going to radio it is not growing the market and it is not going to be a news-led operation. It is not a substitute for quality local news on linear.

Q27 **Douglas McAllister:** Out of a workforce of 650 in STV in total across the whole of Scotland, would you not regard the 150 working in the newsroom in the north to be top heavy?

Nick McGowan-Lowe: If I can correct you, I think 650 would include casuals. I think there are 550 full-time staff. There are not 150 in STV North. There are 37 based out of the news operation there. I believe there are 150 in both our respective areas combined in STV News. That is cut across seven different locations, which are Aberdeen, Glasgow, Edinburgh, Dundee, Inverness, Holyrood and indeed the Palace of Westminster.

Q28 **Douglas McAllister:** So the position of Rufus Radcliffe is inaccurate when he stated that there were 650 people across the organisation and 150 of them are in the newsroom in the north. Is that inaccurate?

Nick McGowan-Lowe: There are not 150 in the north in the newsroom. There are 150 working in STV News. I believe the 650 includes some casual staff. The figure that we recognise—and I think it might come from STV's own figures—is 550.

Q29 **Chair:** I am going to take it as read, unless you want to contradict me, that you do not feel that the proposed changes align with STV's obligations under its public service broadcasting licence. Should licences be instead given to smaller corporations or companies or to new forms of journalism? Is that an option?

Nick McGowan-Lowe: Here is an interesting idea. One of the things that the NUJ's News Recovery Plan looked at is media ownership of that, in particular going to a wider picture of journalism across Scotland and across the UK. That comes from the idea that large media organisations are not always the best custodians of local newspapers, which are rooted in their communities. They tend to try to run them into the ground, fill them with shared content and far less local news, and hope that the local readers do not notice.

The difficulty we have for Ofcom is that they have entered into a 10-year obligation on this. Our position is they should be held to that, but if they do not want to, there is the argument of who would take that over. That is a complex argument. If there are smaller companies that could take that over, clearly broadcasting requires a certain investment in technology and so on. It has high barriers to entry. I think the most important thing for Ofcom, as the regulator, in assigning any licence is to



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ensure that the organisation is of a size and a scale and has a commitment to its public service broadcasting for the next 10 years and that it can meet and honour those obligations. While STV is certainly of a size that can accommodate that, it has shown that it does not intend to honour those obligations.

Philippa Childs: I agree; because of the infrastructure that is required to make a news programme, it is quite a challenging idea that there would be new entrants to the market. To go back to what Nick was saying, we are a bit aghast at the licence being agreed and in place from 1 January, in what is a long-term commitment, and then these changes being proposed very rapidly after that.

Q30 **Dave Doogan:** We have covered quite a lot of ground already, but is it your belief that STV wishes to create a homogenous Scottish news programme like the BBC or does it want to create a pre-recorded north bulletin that will go out at 6 o'clock while the live bulletin for south is going out at 6 o'clock, both from the Glasgow studio? It cannot be both of those things. What is the ambition?

Nick McGowan-Lowe: They want to do as much as they can get away with, if I can be blunt. There are two processes. They are applying to Ofcom to produce a single news programme. They need Ofcom to vary the licence on that. They initially wanted that consultation that Ofcom must then hold to begin quickly and be over quickly. At Holyrood, Rufus Radcliffe told the MSPs that Ofcom had assured him that four weeks would be sufficient for that. When I wrote to Ofcom it said there has been no decision made on the length of that consultation, but what is clear and what Ofcom has told me is that the consultation will begin sometime before Christmas but will go on for a length of time. We can probably predict that that Ofcom process will go well into the first few months of next year at the very shortest.

Independent of that, STV has said there are changes that it does not need Ofcom's permission for. Now, it has said this, but I am not so certain and I have written to Ofcom to ask it this very question. The changes that they think they can do within their existing licence are to move the production and presentation of the STV North programme away from Aberdeen to Glasgow. This sounds quite a simple thing but it is fairly clear to me that management have not thought this through. If you have one studio you cannot put out two live programmes. One of them, by necessity, needs to be pre-recorded, it needs to fit in; there is not much studio time that is free there.

It has to be said there are knock-on effects. If the First Minister suddenly decides he wants to go into the studio and do an interview—that is something that any broadcaster would want—but if there is not the studio time available for them, they can miss out on the quality of those impactful interviews.

Q31 **Dave Doogan:** The terms of the licence say that the bulletins have to go



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out live and simultaneously with all the other 6 o'clock bulletins, so that is inconsistent with the terms of the licence.

Nick McGowan-Lowe: It is.

Chair: Our final question, Elaine Stewart.

Q32 **Elaine Stewart:** You say you do not know how long the consultation will take, maybe into next year. Are you expecting to be formally consulted within this public consultation?

Nick McGowan-Lowe: Ofcom will frame the question. It has received the request from STV. It will open a consultation, it will frame that and invite evidence and submissions from stakeholders and interested parties. The NUJ—and I imagine Bectu—will feed into that discussion.

Q33 **Elaine Stewart:** We do not know how long that will take?

Nick McGowan-Lowe: My understanding is that these are typically a minimum of four weeks; they can be as long as 10 weeks. Our belief—and this is shared with the Culture Committee at Holyrood—is that the length of the consultation should reflect the amount of public interest and outcry from these proposed changes.

Chair: I thank you both very much for coming along this morning and for giving us your evidence. It was very interesting to hear and we are grateful to you for being comprehensive in your answers. Thank you very much. I will bring this session to a close.

Examination of witnesses

Witnesses: Bobby Hain and Rufus Radcliffe.

Q34 **Chair:** Welcome to the second panel in the Scottish Affairs Committee's inquiry into possible cuts to STV news in the north-east. I welcome our panellists this morning and ask you to very briefly introduce yourselves and say what your role is, please. I will start with Mr Radcliffe.

Rufus Radcliffe: Good morning, and thank you for having us here today. My name is Rufus Radcliffe. I am the Chief Executive at STV.

Bobby Hain: Good morning. I am Bobby Hain, I am the Managing Director for News, Regulatory and Audio at STV.

Q35 **Chair:** Thank you very much. Could you explain to the Committee what has driven this cost-savings plan, please?

Rufus Radcliffe: Clearly there have been changes in how people watch TV for a number of years, and I am sure that is reflected in how everyone watches TV in this room. We have obviously been very mindful of that and we have done lots over the years in order to adapt to that, including the launch of STV Player, our streaming service. The viewing trends are very clear and we have been looking at how to get the right news model for at least 12 months.



We make our money through advertising and making TV shows for other broadcasters and streamers. Those markets are difficult at the moment. That has gone on for longer than we would have hoped for. In terms of the advertising market, we have not seen any growth since the first half of 2024. In the commission market—making TV shows for other broadcasters and streamers—we make unscripted programmes and scripted programmes. Scripted programmes are primarily dramas; that is on plan. The unscripted market—shows like entertainment, reality shows and quizzes—is very difficult at the moment. The long-term trends are clear, but in addition to that the markets that we are operating in are very challenged as we speak at the moment.

Q36 Chair: Is it not true to say that the advertising market particularly is perhaps cyclical, and that one year might not be good but another year might be better because of large sporting events that might be on and the encouragement to advertising that those bring?

Rufus Radcliffe: The ad market is certainly a bellwether for the UK economy and business confidence. We announced our strategy refresh in May and we believed that the ad market would return this year. That has not happened. In fact, if anything, it is worse. One of the challenges in the ad market that we are seeing at the moment—and this is not specific to STV, this is for all advertiser-funded businesses—is there is very limited visibility. Lots of business are being very cautious at the moment, and in a cautious environment the first thing people do is put a hold on things like advertising spend. While we would hope that there is cyclical here, we cannot run our business on hope. We have no visibility of when an upturn may happen in the ad market. We would hope it will be next year but visibility is very hard.

The other point I will make about the advertising market is that we are competing with global businesses now. We are a regional business in an international marketplace. I am sure many of you here today subscribe to Netflix. It is an advertising business now, not just a subscription business. Disney is an advertising business in the UK; Amazon take advertising. Not only are we trying to get advertising from our customers, but they have a range of choices, both nationally and internationally, that have grown exponentially in the last few years.

Douglas McAllister: Chair, can I ask a supplementary on that one?

Chair: You may, Mr McAllister.

Q37 Douglas McAllister: Is it not the case that you panicked because your share price fell by one-third in July?

Rufus Radcliffe: We certainly have not panicked. In the cost-savings plan that we are working through we are running a full and proper process. We have looked at all parts of STV, as you can imagine. Obviously there is an impact on news, which I know is the primary focus of the discussion today, but we have looked at all parts of our



organisation and unfortunately there are 60 roles impacted here. We think the response that we are making is obviously extremely difficult for our colleagues, but it is about putting STV on the right financial footing for the long term.

It is fair to say that the speed of change is getting faster and faster. The way viewers consume content, and news in particular, is changing at a rate that is quite remarkable. That is impacting on the numbers that we see for STV News. In the first half of this year, the overall viewing volumes for STV News declined by 23%. Our overall viewing volumes for all of STV, not just news, declined 14%, so news decline is accelerating further than other viewing behaviour decline. That is very stark. What is happening as a result is that viewers are moving to digital platforms at pace. We have made good progress on digital platforms. We are on 13 platforms and have about 50 million video views a month on those 13 platforms, but we have to go further because that is what our viewers expect.

The final point I will make about digital is that we know how much fake news there is, how much mistrust there is, and we have to have the quality of journalism in STV News equally applied in the digital sphere as it is in the broadcast sphere. I would not characterise what we are doing as a panic. The cost-saving plan is very difficult for colleagues and we are determined to be clear and transparent and give people clarity as soon as we can. But we believe it is the right response to the market conditions that we are in now, and also the long-term trends in viewing behaviour.

Q38 Douglas McAllister: You came into your position in November 2024, obviously tasked with delivering a sustainable, profitable business. The share price collapsing in July had no bearing, then, on what some have described as your kneejerk reaction and lack of consultation in announcing this decision? Profits to shareholders are not one of your driving factors?

Rufus Radcliffe: We take no public money. We are an entirely commercially funded business and our shareholders who invest in our business expect a return. But we are being a financially responsible business and we are not paying a dividend to our shareholders because of the situation that STV finds itself in. To be clear, we take no public money, we have investors and shareholders who invest in our business and it is perfectly normal for them to expect a return, but this year we will not be paying a dividend.

Q39 Douglas McAllister: Does that place you under significant pressure?

Rufus Radcliffe: The markets that we are operate in are difficult and we would prefer the ad market to be growing and the UK economy to be growing—which is absolutely linked to that—but we are controlling what we can control. There are two things that we can control. One is that we can right-size our business and get the right cost base so that we can continue to succeed as a business.



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Secondly, we also need to identify where there are new growth opportunities that lie ahead. As CEO, those are the two things that I need to look at with my team, a competitive cost base, but also our ability to move quickly where opportunities lie. I am sure there may be questions today on STV radio, for example. I will not come on to that until someone wants to ask me it, but that is a clear growth opportunity, alongside getting the right cost base.

Q40 Douglas McAllister: Are you hoping to deliver dividends to your shareholders next year?

Rufus Radcliffe: We will see what the markets look like and how we perform but we are a financially responsible business that will make sensible decisions. It is perfectly normal for shareholders to expect a return and we are a public listed company with investors. We make our money from the markets; we do not take any public money.

Q41 Chair: My understanding is that STV has reported losses of around £200,000, so where does the £3 million come into play in terms of your savings plan?

Rufus Radcliffe: The £3 million is the cost-savings plan that we have announced. At half-year, in totality we made an operating profit of just over £6 million, but that is a 37% decline in our operating profit compared to the first half of 2024. The £3 million is cost savings that we have identified in order to put us on a more sustainable financial cost footing, based on long-term viewing trends and the markets that we operate in at the moment.

Q42 Susan Murray: You joined STV in what you say is a shrinking market—despite the fact that the company has a public service obligation under Ofcom—and you appear to be reimagining the future at the expense of jobs in journalism and connections to local communities in the north, despite the fact that we hear all the time about industries needing skilled workforce. In the north-east you have a ready supply of a trained and skilled creative workforce. Was there any consideration of you using the new studio in Aberdeen to produce the news? It is a valued product and it would give you an opportunity to take a different aspect of the news: viewing Scotland from the north-east instead of the central belt.

Rufus Radcliffe: For our proposal for one news programme at 6 pm it is more expensive to produce that from Aberdeen, but we will be using the studio in Aberdeen and we will continue to do so. As a broadcaster we have to have two studios anyway and it will continue to be in use. We are continuing to have our news operations in the north of Scotland, in Dundee, Aberdeen and Inverness, and we will carry on having news gathering and brilliant journalism, and the quality of news that defines STV News will continue. It would not be cost effective for us to run the 6 pm news from the Aberdeen studio. It would increase our costs and unfortunately that is not something that we can do.

Susan Murray: Yet you seem to be forecasting that you will be losing



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more journalists in this cost saving than any other role within the company.

Rufus Radcliffe: We are looking at cost savings across all of STV. Obviously the STV newsroom is impacted, but all parts of STV are impacted by this proposed cost-savings plan.

Q43 **Chair:** You mentioned that you will continue to use the Aberdeen newsroom. My understanding is a relatively large sum of money has recently been spent in refurbishing that newsroom. Was that a sensible decision, to do that refurbishment, given where we are now? How will you continue to use that newsroom going forward?

Rufus Radcliffe: I will take the first point and then hand over to Bobby on that. Our studios were end of life so if they fell over or broke, it is very hard to repair them. We had to make this investment in our studios, both in Glasgow and Aberdeen. There was no choice there. That decision was made a number of years ago because, as you can understand, these are investments that take a long time and they are quite complicated pieces of work. In terms of the actual usage, Bobby, I will throw to you on that.

Bobby Hain: What we are preserving going forward is the ability to create and news gather. In other words, we are making changes to presentation by moving our presentation to Pacific Quay, but we will continue to have on the ground news-gathering resources, reporters, cameras and so on, as Rufus said, in Inverness, Dundee and—crucially—in Aberdeen. A big team of journalists are still there, senior voices and an editorial hub that is part of the decision-making. The point you were making around the editorial balance between the two regions, we will make sure those stories are surfaced. Crucially, although our TV presentation will change, we will be using the team that we have on the ground all across Scotland to create stories for online distribution, which is increasingly where audiences are finding their news.

As for the studio itself, it will be on air frequently, because if we have contributions from Aberdeen—guests or reporters doing explainers, working with the walls and screens that we have now—they can contribute their material from Aberdeen, either from the studio or just as likely from location areas around the city, the north-east and beyond to contribute to a new Scotland-wide programme.

Q44 **Chair:** Will those be live contributions?

Bobby Hain: They will be. In many cases they will be live into the new programme, which is the combined central and north editorial for 6 o'clock.

Douglas McAllister: Live from the studio?

Bobby Hain: The trend in TV reporting has been move out to location to be on the scene and to report live from location, but we can see a combination of on-location reporting—which we make great use of all



across Scotland using satellite, 5G and so on—but also we have proper connectivity into the studio in Aberdeen. We have the resources, we have the screens, we have the lights of a proper TV studio, so we would expect to see that regularly.

Douglas McAllister: So not live from the studio at 6 o'clock?

Bobby Hain: Live contributions from the studio, the presentation of the programme itself from Pacific Quay. Contributions wherever the stories are, frequently from Aberdeen.

Q45 **Dave Doogan:** This is a kneejerk reaction. It has all the hallmarks of a kneejerk reaction. We have a new chief executive coming in, shortly followed by a collapse in the share price. We have newly refurbished studios not getting properly used. We have a chief financial officer announcing earlier on this year that this was a cash-generative business, shortly followed by a profits warning. Over and above that, we have STV wilfully walking into a 10-year licence renewal, only to renege on it within months. Nothing about these events, which are indisputable, speaks about strategic grip, nothing about this speaks of executive authority or a strategy to take a business forward. You have cut costs. Anyone can cut costs. That is not how to turn a business around. A strategic plan for investment in the future and growing the revenue base would turn the business around. How can you say this is not a kneejerk reaction?

Rufus Radcliffe: We announced our strategy refresh in May and we will deliver the strategy. We are—

Dave Doogan: Sorry, your delivering the strategy requires a derogation from the licence you have signed up to, so how can you say you will deliver the strategy?

Rufus Radcliffe: We are a commercial business and our strategy is to deliver a successful, profitable business for the long term. Part of the profit of that business is to help fulfil our public service obligations. There was quite a lot in your questions there.

On the licence, I will give you a bit of context on how the licence process works. It takes a number of years. The 10-year horizon for the licences is for Ofcom and DCMS, but that is the timeframe that they use. The process for licence renewal started in 2021 and 2022 when STV pulled together the financial, economic and viewing data. We then submitted our licence application in April 2023 and it was approved in September 2024 and went live in January 2025. Obviously the original data points that were submitted there, that is a long time ago and a lot of change has happened since then.

Changing licences is not without precedent. The BBC, during its licence, has had permission to reduce its news output by 50%. Channel 4 has had permission to take out its lunchtime bulletin and reduce the amount of current affairs, and Channel 5 has reduced its news output by 75%.



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Q46 **Dave Doogan:** So you are banking on Ofgem coming back with a positive decision for you?

Rufus Radcliffe: It is Ofcom.

Dave Doogan: Sorry, Ofcom.

Rufus Radcliffe: We are in discussions with Ofcom. What Ofcom published in July of this year is a report called "Transmission Critical". It outlined the challenges of financially sustainable news. It outlined the fact that seven out of 10 people now consume news online, and that over 50% of viewing on big screens in living rooms now is to nonlinear TV.

One of the challenges that we have with STV News is obviously the 6 pm show has good audiences at 6 pm and STV News is a fantastic product, but there is no long-term viewing of STV News. It is done at 6 pm and you do not get the long tail of viewing, whereas if you look at other programmes that STV make, whether it is the soaps or drama or entertainment, you get lots of viewing after it first broadcasts. That is not the case with news. We are always in discussions with Ofcom—

Q47 **Dave Doogan:** If Ofcom come back in the negative, how will you advance this cost-cutting strategy if you are not allowed to close your Aberdeen studio?

Rufus Radcliffe: We are able to bring gallery and presentation into Pacific Quay; that does not require Ofcom approval.

Q48 **Dave Doogan:** But you have to broadcast live and simultaneously. That is the terms of your licence.

Rufus Radcliffe: I am not sure that is accurate.

Bobby Hain: No, there are a number of Channel 3 regions up and down the country where the news is recorded in advance. There is a detailed exception in Ofcom's regional definitions that permits, for example, the news in the south of Scotland that you see on ITV Border, which is often recorded in advance and comes from Gateshead. There is a precedent for doing that.

Q49 **Dave Doogan:** With all due respect to ITV Border, lots of which is in the north of England, the STV North covers over half of Scotland's landmass and a quarter of Scotland's population. I can assure you we are not much interested in getting the news as it happened two hours ago.

Bobby Hain: We are focused on what we think is the best outcome, which adapts public service broadcasting. On the point that Rufus made around the work done by Ofcom, the overarching message from the work done on the public service review that Ofcom conducted—which, by the way, is a very important and flagship part of the licensing process, because the licences of course are the delivery mechanism, but they have to exist in the commercial and viewing landscape that Ofcom understands and articulates. There is a clue in the title, "Transmission Critical".



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What Ofcom is signalling is that public service operators and the delivery of public service material must change in a digital future and that is what we are reacting to. That is why we are focused on what we think is the best outcome: retaining reporting and specialist knowledge in the north for online distribution and for inclusion in a new programme. To make this clear, because I think it is not terribly well understood—I appreciate it is a real detail—we are asking Ofcom to make the same changes to both of our licences. This is not just about what happens in the north. We will need permission from Ofcom to bring the licences together to do what we are proposing, which we think is the best way forward.

- Q50 Dave Doogan:** The comprehensive cost-cutting strategy that you have set out is not comprehensive at all. It focused on the north in its greater part, and it is focused on the news in its greater part, and in the news in the north in its greater part. We know what homogenous Scottish TV news reporting looks like, we can see it on the BBC, and that is why more people in the north of Scotland watch STV North than watch the BBC, considerably more. Have you considered that? Have you considered what will happen to your advertising revenue around STV News when you drop it for homogenous, Scotland-wide broadcasting?

Rufus Radcliffe: In terms of advertising there is far less advertising minutage in the news than in other parts of our schedule. We do not have a centre break and at the moment we also do not have an end break in there. Our advertisers want to advertise on all parts of STV, across our entertainment and drama, as you can imagine. There are some advertisers for whom advertising around the news is difficult because obviously they are sometimes difficult stories that we are covering. If you were to look at news in isolation it is not profitable, but—

- Q51 Dave Doogan:** It does give you that number 3. You cannot pick and choose; you either deliver against your obligations or you relinquish your number 3.

Rufus Radcliffe: Yes, that is absolutely right, but the profitability of STV is what helps fund news. The changes that we are proposing impact STV News in totality, not the north in isolation, but we would not be proposing this if we did not believe we could produce an excellent news programme at 6 pm for—

- Q52 Dave Doogan:** Excellent and live. The news in the north will go out live?

Rufus Radcliffe: The proposal that we have for Ofcom is that we have one programme at 6 pm.

Bobby Hain: On the Channel 3 button, going back to the work that Rufus referenced in 2021, which was the projected viability of the licences, even at that point Ofcom noted that there was a net cost to STV of fulfilling the licence obligations. That balance between what the value of Channel 3 is and what the cost of our obligations would be was negative. Since 2021 data was used and we have arrived at 2025, audiences have fallen faster and revenues have declined further. The net



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cost of holding that Channel 3 button is even more expensive for us, which is why we are making the adjustments.

Q53 Harriet Cross: Mr Hain, you said audiences are decreasing and revenues are decreasing. Is that for STV as a whole or for north in particular? What are the figures for the north region? Have they been consistently falling?

Bobby Hain: The TV figures are published by Barb, which does not publish data other than a Scotland-wide figure, so we are not able to track individual licence areas. The numbers we are quoting, the reduction of 23% for the half-year that Rufus mentioned, is a Scotland-wide figure year on year.

Q54 Harriet Cross: We do not know how the north is performing relative to this?

Bobby Hain: We do not.

Q55 Harriet Cross: Given the north has 40% viewing figures compared to say 25% in central, it certainly says to me that it is a hugely valued resource up in the north. Even if we could look into those figures to see where the decline is coming from—because if the decline is coming from a smaller base versus the decline coming from the north, where clearly it is a very valued resource to have—surely that is hugely important data to have in order to make decisions like the ones you are making.

Bobby Hain: The data is not published by Barb so you cannot compare the two licences in the way that gives you that comparison. I would also caution against any metric about share. The share for STV News generally has been very strong. We know that. People are interested in what we do, it is a valuable service and we are protecting it. However, it is a share of a reducing market, so although the share remains high and we are still the biggest watched service in Scotland, however, the numbers for all news programmes, our own included, has been falling consistently.

Q56 Harriet Cross: You would not be able to say, for example, if the north region licence is beating its sales targets? You are not able to say that, yes or no?

Rufus Radcliffe: The regional sales team have sales targets but, as I said earlier, a lot of advertising demand is around our other advertising products: drama, entertainment and sport. The amount of minutage we have in news for advertising is less. There are more advertising breaks in other programmes than there are in news. We do not have a centre break in news, so news goes from 6 pm to 6.30 pm without any interruptions at all. Because there are advertising regulations that mean brands for less healthy food have to advertise post-9 pm, more advertising minutage has been moved.

Q57 Harriet Cross: Are the north on target or off target?



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Rufus Radcliffe: They are on target, but—and it sounds strange to say this—their target is less than the amount of money made last year, but the regional sales team are fantastic; they do a brilliant job.

Q58 **Harriet Cross:** I am sure they are a huge asset and we would not want to lose them, along with anyone else up in the north. So they are on target and they have good viewing figures, yet the decision is that is where we will make the cuts?

Rufus Radcliffe: The viewing figures are in decline and I think it—

Q59 **Harriet Cross:** But you said we do not know if they are in decline any differently in the north versus anywhere else because it is not split out. How do we know what the viewing figures in the north are doing if you cannot split them out?

Rufus Radcliffe: It is a fair challenge. The Barb data is the Barb data; that is the TV currency that everyone uses. This is not something that is unusual for STV in terms of you asking these questions. One other point of clarification on share of viewing is that figure does not include viewing on services like YouTube, which are now the fastest-growing service on the big screen. It does not include Netflix, Amazon, or all of those US streaming services. On the point of it being a declining pie, it is 40%, but of the overall viewing is getting less and less.

Harriet Cross: I think it is more the news side that is of concern, but we will leave it there. Thank you very much.

Q60 **Kirsteen Sullivan:** We heard earlier this morning great concerns from the unions around the lack of engagement and lack of detailed information that they would usually expect to see, which would in turn allow them to have detailed conversations with their members. That appears not to have happened in this case. There are also reports that staff have been given very limited information beyond the expected 60 job losses. This has obviously created a great deal of uncertainty and a great deal of stress. Do you have any reflections on how you communicated the cost-saving plans to staff and the engagement with unions?

Rufus Radcliffe: We are running a full and proper process. We remain in consultation at the moment. We had a voluntary redundancy window that has recently closed and we are having meetings with the NUJ and Bectu on 3 November, where we will be able to go to the next stage and talk about roles and teams and everyone impacted. I completely understand that people want clarity and they want to know who is impacted and what that looks like. As I am sure you can understand, we are trying to do this as quickly but as thoroughly as we can. With the voluntary redundancy window now closed we are able to move to the next stage of that process and that will be a meeting with the unions on 3 November.

Q61 **Kirsteen Sullivan:** Do you accept there has been a deviation from your usual path of engagement with Bectu and the NUJ?



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Rufus Radcliffe: Bobby, you will know the exact number of meetings we have had with them, but we have fully engaged with them. Now that the voluntary redundancy window has closed we can move to the next phase. Before I throw to you, Bobby, I will say the NUJ and Bectu are obviously quite rightly concerned for colleagues in the newsroom, but this cost-savings plan unfortunately impacts all parts of STV.

Q62 **Kirsteen Sullivan:** You do not feel there has been any change from your usual approach in terms of your engagement and being able to give as much information as possible to allow Bectu and the NUJ to engage with their members?

Bobby Hain: Certainly in my experience this is our normal course of events. This is something that we are not involved in regularly, thankfully. However, as Rufus said, we have let the entire colleague base know at the point where we announced and obviously we had to announce to the City as a listed company, first and foremost. As soon as that was done, we had an all-colleague call where everybody understood what the scope of our change proposed was. We followed up immediately with in-person meetings with our unions. We did make it clear at that point that there was a voluntary redundancy offer for people and that the outcome of that would clearly feed into what was to happen next. That is where we are.

We recognise that this is a big change and, as Rufus says, both within our newsrooms and outside in areas of the business that are also represented by Bectu and NUJ, and beyond those areas too, but we are moving carefully and steadily through the process. The next update is more detail to share with our unions and colleagues next week.

Q63 **Kirsteen Sullivan:** How many voluntary redundancies are expected? Do you expect any compulsory redundancies?

Rufus Radcliffe: I understand why you would like to know that. Unfortunately we are unable to disclose the amount of voluntary redundancy applications that we have, but that is being worked through as quickly as possible.

Q64 **Kirsteen Sullivan:** As I said earlier, all this uncertainty around what will happen to their jobs and livelihoods is causing staff a great deal of stress. What mechanisms have you put in place to support the mental health and wellbeing of the staff?

Rufus Radcliffe: We have had many face-to-face meetings with colleagues and we are communicating as clearly and honestly as we can. Obviously if there are colleagues who are suffering from anxiety or mental health we would go through the correct processes to ensure their wellbeing. I completely understand how difficult this is for many people at STV at the moment, which is why we want to do this process fully and properly but also as quickly as we can.

Q65 **Kirsteen Sullivan:** I understand that, but I would like to specifically



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know what mechanisms you have put in place proactively to support the mental health and wellbeing of staff, given this is a stressful experience with a lot of uncertainty. They do not know if they will have a job to go to, so I would like to know what steps you have taken on your own initiative to address these concerns.

Bobby Hain: We have company-wide ongoing mental health support, we have occupational health provision in place and we have access that is online-based as a referral that anyone in our team can access at any point. Whether it is a position like this or they find themselves in a position outside of work, for example, but it comes into the workplace, we have comprehensive provision in place for people at all times, in fact. It is a very strong provision, it is appropriate and it is there for people to take up.

Q66 **Kirsteen Sullivan:** Are you signposting people to that support proactively when you are having these discussions?

Bobby Hain: As a very good employer we seek to make that provision available to people at all times, not just in times of particular stress because clearly you never know when you might need it. It is part of our regular signposting and it is part of our company portal, for example, on our intranet and is the subject of regular promotion within the business. We have mental health first aiders around the business who are able to help direct people to that provision and our HR team is trained and ready to help signpost people as appropriate.

Q67 **Kirsteen Sullivan:** How will you address the additional pressures that are placed on remaining staff as the redundancies go ahead?

Rufus Radcliffe: If there are less people at STV we have to make sure that we are prioritising the right work and we cannot carry on doing everything that we are doing at the moment. When we get through this process across all of our departments there will be very clear, honest conversations about how we prioritise workflows and make sure that we are not giving people additional work beyond what they would expect. That is obviously extremely important.

Q68 **Chair:** I can understand that you have a process you have to go through with Ofcom that takes some time. I can understand that you would wish to seek voluntary redundancies from among your workforce before you looked at any other option. That again will take a period of time, but for those members of staff who think their jobs might be in the frame, who are worried about whether or not their jobs are in your minds and might go, this is a long time to wait for a decision, not to know what your plan is and not to understand whether or not they might have a negotiation to go into with you nearer the time of the fulfilment of your ideas. I wonder how you can possibly make that process for staff any more palatable. Have you tried?

Rufus Radcliffe: Beyond news we will obviously be able to give clarity to people quickly now that the voluntary redundancy window has closed.



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About half of the impacts on jobs are not news-related so we can carry on with that. There is also a lot that we can do without the approval of Ofcom. The plans that we will be sharing will give people as much clarity as possible without Ofcom approval and we will be sharing those plans from next week. I completely agree with you. It is very difficult and people want clarity. We are going as quickly as we can.

Q69 Douglas McAllister: It was suggested in our first session this morning that you had failed to respond to the union's request for collective consultation. Is that accurate?

Bobby Hain: I do not believe it is. I think we are—

Douglas McAllister: Did you respond?

Bobby Hain: We are working through our union dialogue. In the context of the last question too, we recognise the challenge of making decisions—some of the outcome of which is contingent on a regulatory decision by Ofcom—and we thought very carefully about this. On balance, we have decided to start this process and give people clarity as soon as possible for the reasons identified, but also accepting that final change depends on what happens in the regulatory space.

Q70 Douglas McAllister: What response did you give to the unions on that request and when did you give that response?

Bobby Hain: I am not aware of a particular issue around collective negotiations. We have been working in a way that is recognised from previous union engagement, where the unions are front and centre in our conversations. At the same time, where colleagues not represented by unions are also concerned, we are working there, but sensitively in both cases.

Q71 Douglas McAllister: Have you had those discussions now with the trade unions in relation to how you reduce potential job losses and mitigate the consequences?

Bobby Hain: We are open to suggestions from our union colleagues as to what alternatives might be and we have made that clear from day one. Our conversations with unions, starting very shortly after our announcement of proposed changes, does form a consultation process that we have been very clear about.

Q72 Dave Doogan: Are any management or executive level posts in line for redundancy?

Rufus Radcliffe: Across our savings all levels are impacted.

Dave Doogan: Are impacted?

Rufus Radcliffe: Across the 60 roles that we have identified, there will be management roles impacted, yes.



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Dave Doogan: And executive roles?

Rufus Radcliffe: There is one member of my executive team who is leaving.

Q73 **Dave Doogan:** Can you identify a regional news broadcast in the UK that outperforms STV North in terms of its own market penetration?

Rufus Radcliffe: No, not off the top of my head.

Bobby Hain: There are no figures for STV North per se. We have a Scotland-wide figure.

Dave Doogan: It is 40% of people in the north are watching STV.

Bobby Hain: I do not recognise the number. It is not published by Barb so I do not have that currency.

Dave Doogan: 309,000 people watched STV North last night at 6 pm.

Bobby Hain: I think 309,000 people is the figure for Scotland as a whole, not STV North.

Q74 **Dave Doogan:** Can you write to us for clarity on both of those points—about where there is another more successful regional broadcast on the ITV network, what the actual viewing figures were for last night and the 40% figure for STV North? It would be helpful to get that defined.

Bobby Hain: We can do that, but we cannot supply numbers for individual parts of our licence area, other than an all-Scotland number, which is the number you referred to, or 309,000.

Q75 **Dave Doogan:** Mr Radcliffe, when you were at the Scottish Parliament Committee, you said that if STV becomes sustainable and profitable, it will be able to deliver its public service obligations. That was not the time to make that decision. The time to make that decision was when you were signing up to another 10 years of your licence obligation, was it not?

Rufus Radcliffe: I mentioned earlier the process for the licence renewals and how long that takes. That process started in 2021.

Dave Doogan: Sorry, as an excuse, that only goes so far because you were not signing up to a 12-month licence or a 24-month licence, you were signing up to a 10-year licence. It is your responsibility as the Chief Executive to do due diligence in accordance with the information that you are getting from your executives to see if signing up to a 10-year licence is the right thing for your business. You did that and now you are trying to get out of it.

Rufus Radcliffe: We take our obligations as a public service broadcaster extremely seriously.

Dave Doogan: I would argue, on the evidence of the last few weeks,



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that does not appear to be the case, certainly not if you live in the north of Scotland.

Rufus Radcliffe: We do take them very seriously and our request to Ofcom is to update our licences to allow us to create a new news programme for all of Scotland. We would not be suggesting this if we did not think that we could create an excellent news programme for all of Scotland and also allow us to go much further in digital than we are at the moment. People start watching news on their phones as soon as they wake up in the morning and they stop watching news when they turn their phones off at the end of the evening.

6pm is a very important part of what we do, but for the vast majority of people that is not how they are consuming news at the moment. We are very proud of STV News and we are very proud of our journalists and the quality of the product, but not changing is not an option, with the speed of change going on.

Q76 **Dave Doogan:** Nobody is suggesting that the status quo is where you are going to be next year or the year after or in 10 years' time. You should be very proud of STV North. Do you think the people who work at STV North think that STV and Glasgow are very proud of them? As you have already said, they are meeting and/or exceeding all of their targets. They are doing everything that it is being asked of them and you have put them up on the chopping block to save STV or more broadly its balance sheet.

Rufus Radcliffe: There are changes across all of STV and there are changes across all of the STV News operation.

Q77 **Dave Doogan:** Where are the bulk of the savings falling? What area, what city?

Rufus Radcliffe: On STV News, everywhere is impacted. What we are very clear about is that we need to keep our news offices open in Inverness, Dundee and Aberdeen and we need to continue to have the quality journalism that defines the STV News brand. Unfortunately the changes are everywhere. They are not just in the north. I would hope that our colleagues in the central belt do recognise the quality of journalism in the north and I absolutely believe that they do. At the moment there is a huge amount of news programmes for the north and the central belt that are shared night after night at 6 pm.

Q78 **Elaine Stewart:** Ofcom's "Transmission Critical" report concludes that the representation of diversity of nations and regions of the UK must be a priority. Do you agree with that conclusion?

Rufus Radcliffe: 100%.

Bobby Hain: Yes.

Q79 **Elaine Stewart:** How does your proposal to cut STV North help achieve



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that goal?

Bobby Hain: If you compare the nations and regions across the UK, Scotland is the only nation that has more than one licence. If you look at the licence operations in Northern Ireland or Wales, there is a single licence, whereas we have two.

In terms of cost today, the cost of news provision in Scotland is twice what it is in other nations. If you look at similar sized regions around the UK just on an economic level, many regions that have larger populations than STV North have less news obligation; they have far fewer minutes of news. STV North today has a four hour a week news obligation compared with Anglia, for example, in the east of England, which has two and a half hours of news. The cost of our news obligations is much higher than other nations and much higher than similarly sized other regions of the UK.

To the point Ofcom makes, we absolutely believe and are committed to the diversity and breadth of journalism across Scotland. We concur with that view. In the context of what Ofcom is laying out, it is a clarion call for public service to change in future to protect that very quality.

Q80 **Dave Doogan:** Can I invite Mr Hain to reflect on his evidence there, where he complained that Scotland has a higher cost to output their public service obligations in news compared to Wales or Northern Ireland, two very much smaller countries with a very much smaller population? You are not comparing eggs with eggs, Mr Hain. Also, when it comes to regions of England with higher populations than Scotland, they are in much smaller geographic locations. You have exposed in one response your total failure to grasp what is important about what STV North delivers in Scotland by making those comparisons.

Bobby Hain: I would respectfully disagree. The cost for STV North, which is the largest licence by land mass and has several news offices that Rufus has outlined in Inverness, Dundee and Aberdeen—plus freelance cover that we have for the Western Isles and Northern Isles and so on—is a huge undertaking in news operations. We are very proud of our team in the north and the work that they have done. That is why we are focusing on the journalism reporting and finding stories, which is what is driving the interest in our news. How we present that news in a different context going forward, fit for purpose, will be the change that we are seeking to make.

Dave Doogan: I am not disputing your cost base. What I am disputing is your spurious comparison with Northern Ireland, Wales and the English regions. If that is what is informing your strategic decision-making process, then it is no wonder we are where we are.

Q81 **Chair:** We will move on. If you are going to be producing your news coverage predominantly from Glasgow, does that mean that central belt audiences will lose out, as well as those in Aberdeen and the north, in



terms of the coverage, because they will in effect be sharing a news programme?

Rufus Radcliffe: We will have editorial hubs in Aberdeen and Glasgow, and we will ensure that we have the most important stories reflected every night at 6 pm for all of Scotland. We would not be proposing this if we did not think we could create an excellent news programme for all of Scotland, wherever you live. The ambition behind this is that it is not just about what we broadcast at 6 pm, it is about our news proposition as a whole and driving a much greater impact in digital than we are able to do at the moment.

Q82 **Chair:** How will the changes impact on breaking news or sports coverage, for example?

Rufus Radcliffe: At 6 pm, we will carry on breaking news. The truth is that most nights when we do STV News at 6 pm there is not an immediate breaking news, there is news that has happened all throughout the day. We will have the resources and capabilities to deliver breaking news, as you would expect from any sophisticated news operation.

Bobby Hain: In many respects, this is not a major departure from what we are already doing and what audiences are already expecting. The figure for last night's news across Scotland has been quoted as 300,000-plus people. That bulletin at 6 pm last night included a major court case based in Dundee; a report from the homelessness conference in Perth; news about the oil and gas industry in Aberdeen; and sports news from all around Scotland. All of those stories were shared by both our programmes in central and north. The idea that somehow there will be a major, radical difference that people will see is just not the case. We are already servicing the most important stories for Scotland in both our programmes and including stories of regional interest. We will still make stories of regional interest, but increasingly audiences expect to find those online: Facebook, WhatsApp, Instagram and so on. It is the digital connection that we need to make with our viewers.

Ofcom's work in its news consumption report this year shows that people expect more localised stories to be available digitally. The combination of a very strong news offering that has the most important stories in Scotland of the day for central and north is something that we are already seeing on a day-to-day basis.

Q83 **Chair:** What were the first news stories on the central bulletin and the north bulletin last night?

Bobby Hain: They were the same story.

Chair: Which was the—

Bobby Hain: Dundee crime story, yes.



Q84 **Chair:** Then after that? Sorry, I am testing you.

Bobby Hain: Off the top of my head, the homelessness conference, which was a report from one of our senior political people. Political coverage is a very good example of material that is shared by a specialist team that runs not just out of Edinburgh and Glasgow, but also here at Westminster. That piece ran fairly far up in both programme bulletins. There were differences in the running order; the stories arrived in a slightly different sequence across the piece.

Q85 **Chair:** I suspect it will be a challenge to maintain that almost bespoke service that the north can have at the moment if, for example, there is something happening in oil and gas. That might not be the priority in central Scotland, but it would be in the north-east. That is where people have the concern, that there would not be the possibility of the news reflecting people's most immediate concerns.

Bobby Hain: We recognise that. Already in any newsroom there is a combination of choices: how to choose the stories, the treatment of those stories and the order those stories appear in. We are increasingly seeing that the audience expects major stories of import across all of Scotland alongside stories that are of particular regional relevance to them. We are very confident with our teams and the experience we have that we can create a very good balance for Scotland going forward that is, most importantly, affordable and sustainable.

Q86 **Elaine Stewart:** What steps have you taken to ensure the news remains accessible to all audiences, particularly the elderly, who we know rely on STV North? Have you had a huge public outcry on this? How would you gather that information?

Rufus Radcliffe: We are determined that the programme we will broadcast at 6 pm will be relevant to views in the north and will continue to be so. We are not surprised that there has been a big response to this. This is a difficult decision. There is an online petition that has had 9,000 signatures. We also have a viewer inquiry so people can contact us at STV and we have had 16 viewer inquiries. We understand that there is a strength of feeling here, but this is very much about protecting regional news and putting it on a sustainable footing moving forward. The news proposition, both in broadcast at 6 pm and digitally is a viewer-led decision, but obviously a decision about a financially sustainable footing as well.

Q87 **Elaine Stewart:** What will you do with the information from the public outcry within your consultation going forward? Will that be included in your plan?

Rufus Radcliffe: There is a strength of feeling, but I would not characterise it as a "public outcry". There have been 9,000 signatures and 16 viewer inquiries. I obviously do understand that there is a big impact on our colleagues and there is an impact on viewers. The decisions that we are making here are very much being driven by viewers



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as well as putting things on a financially sustainable footing. The viewing declines that we have talked about today—the 23% decline in viewing—is in part one of the reasons why we are doing this, to reflect viewing behaviour and what people are doing day after day, night after night now.

Q88 Elaine Stewart: Will you be listening to the information that is put forward to Ofcom when you plan—you have not even put a plan in place for this yet—and would that information be included in that plan?

Rufus Radcliffe: There will a public consultation from Ofcom. We have told Ofcom what our news plan is. It will consult publicly and gather evidence from lots of different sources and then make its decision on that. We do believe that out of this we will create a more digitally focused news proposition, but also a very strong 6 pm service for viewers, not only in the north, but for all of Scotland. We are absolutely determined to deliver that.

Q89 Kirsteen Sullivan: Bobby, you said that more localised stories will be accessible via digital media. What about the significant proportion of the population who are digitally excluded? Sometimes that can be because of geography, but sometimes it is around age demographics and for other reasons. Does that mean that these people will not have access to local stories or STV believe that they should not have access? This is a very important point, and I would like to hear your thoughts on that. How are you giving people who are digitally excluded access to stories about their own neighbourhoods and areas?

Bobby Hain: We completely understand the challenge of digital exclusion. It goes much further than local news provision. For example, when you think about how public service television and indeed other services are now consumed, if you are wholly reliant only on digital terrestrial television, which is a decreasing but not tiny amount of people—it is still a significant number of people—for people who have no digital inclusion, they have no catch-up material. They have no way of watching Netflix and they have no way of doing things that so many people are now doing. Such a large percentage of the population are not digitally excluded.

We recognise that digital exclusion is a challenge, not just for broadcasters, frankly, but we have to strike a balance between what is affordable and sustainable in our public service obligations and where audiences are increasingly looking for more localised content. I recognise there is a challenge in digital exclusion going forward and that forms part of a separate debate that we are having on the future of television more generally around a post-2034 world of digital terrestrial television versus IP delivery. These are important questions, but they are not confined to local news.

Q90 Kirsteen Sullivan: The decision to launch a radio station is moving away from your bread and butter business. You have decided to launch into a



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new area, an area where the market is probably unlikely to grow and where there are already many players in the market. Why are you looking to do this, rather than focusing on delivering your existing obligations, your bread and butter as a business as a public service broadcaster?

Rufus Radcliffe: I mentioned earlier today that in terms of running STV, we have to put it on a sustainable cost base, but we have to identify growth opportunities. We did a lot of analysis on the commercial radio market and there is a very clear gap in the market for a mainstream, 35 to 54 year old. That is what we call the target audience that we are looking at for a mainstream music station that is unequivocally from Scotland, for Scotland. The digital trends that we see in TV viewing are not playing out in the same way in commercial radio. Commercial radio is growing and the gap between commercial radio and BBC is growing as well. It is a very robust market.

It is very adjacent to what we do. Part of what we do is an advertising business and this is an advertising business. We believe this is a strong opportunity for us. It is quite a modest investment, but in terms of the business plan, it is profitable by 2027. It is very important that we look for opportunities to grow our business moving forward and we are on track to launch in January.

Q91 **Kirsteen Sullivan:** Do you believe it is the right decision to move in this new direction when you cannot meet your existing obligations?

Rufus Radcliffe: What we are seeking to do, through Ofcom, is to update our licences to reflect viewing behaviour and put that on a sustainable cost footing. All of our commercial activities that we do help fund our public service obligations. That is how we look at this. We are extremely proud of STV News but it is our commercial ventures that allow us to fund it and create an excellent service for our viewers. The commercial radio launch is a clear opportunity for us to move into a market that is adjacent to where we are at the moment but is not facing some of the trends that we have talked about in terms of viewing behaviour. That is not reading through into the digital radio listening at the moment.

Q92 **Kirsteen Sullivan:** You said that STV radio would be from Scotland, for Scotland. Is it going to cover local stories? If so, how much coverage will it give to the north of Scotland?

Rufus Radcliffe: It is very much a commercial music station. There will be news on there, but it is very much a commercial, mainstream music station.

Q93 **Kirsteen Sullivan:** It would just be the usual 30 minute/one minute news slots?

Bobby Hain: As Rufus said, looking at last week's publication of the latest RAJAR audience figures, commercial listening continues to be at



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record highs. Nearly 40 million people a week in the UK listen to commercial radio stations and there has been a huge growth in digital services: online; smart speakers; DAB listening. In fact, traditional FM radio is now less than 20% of listening. This is a very easy platform to enter. However, you have to have commercial marketing in order to get attention for your new product. As a TV operator in Scotland, we can do that. We can bring a marketing sense to that.

To your question on the composition, this is very much a mainstream music and entertainment service that will be punctuated by STV News on the hour, but these are short bulletins. It will not be in-depth news reporting. That is not the radio format that we are going for.

Q94 **Kirsteen Sullivan:** Will the short bulletin cover news from the north of Scotland specifically?

Bobby Hain: It will be a combination, like many radio bulletins, of national, international and Scottish news, and the larger stories—some of which will inevitably be in the north of Scotland—will be on that service.

Q95 **Kirsteen Sullivan:** The dilution of the bespoke news coverage for the north of Scotland will not be made up through the introduction of STV radio and the news segment? We are not going to be making up for what we are losing?

Rufus Radcliffe: It is not a speech radio station, it is a music radio station. It is a mainstream music station. As I have mentioned, the news proposition that we are seeking approval for from Ofcom will be a very strong proposition for viewers all over Scotland, including viewers in the north.

Q96 **Dave Doogan:** This is a supplementary to Kirsteen's question. What are your revenue projections for STV radio?

Rufus Radcliffe: I do not want to go into our business plan, because obviously there are some sensitivities there, but we will be profitable by 2027, which in business plan terms is very quick. It is a very modest investment as well.

Q97 **Dave Doogan:** I do not think that any of us on the Committee, or anywhere else, would deny STV its opportunity to diversify into radio. It is just unfortunate that that is getting investment at the same time as jobs are being cut in the north. That is what sits uneasily with people. As you have already clarified yourself, your responsibility as a public sector broadcaster is to use your commercial heft to fund and effectively subsidise your public sector broadcast obligation.

It is unfortunate that if your projections are right—and I hope they are—that STV will become profitable in three or four years' time in a way that could have funded the public service broadcast obligations properly in the north of Scotland, the way they are now. But you will have already cut them out of the company by then and there is no going back, is there?



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Rufus Radcliffe: If we were not able to identify commercial opportunities moving forward, we would have to make more cuts to STV with more impact on our colleagues and that is the last thing that we want to do. It is important that we identify these new opportunities and we are able to do that.

Q98 **Dave Doogan:** But your responsibility as the CEO is to drive growth in the business both for your shareholders and also for the population of Scotland, who you are indebted to—or duty-bound to—because of your public sector broadcast obligations. It is very regretful, is it not, now that you are in a in-year difficult situation—you were not in a difficult situation last year, and I hope you are not going to be in a difficult situation next year—and the axe is falling on Aberdeen? Why are you not taking a more long-term view of this? Not to cut costs, to maintain your cost base but to grow your revenue, that is what would be impressive. Cutting costs is not impressive.

Rufus Radcliffe: We are looking at a range of growth initiatives. In terms of advertising, we are obviously looking at radio, but we are also launching a series of advanced advertising products to enable new advertisers to come to STV. These are medium to long-term projects that we are working on, so they are not going to immediately unlock revenue.

I would like to make the point that putting news on a sustainable footing is not a piece of work that was kicked off in July. That was a piece of work that has been undertaken over the last 12 months. The conditions of the markets that we are in, alongside the publication of the “Transmission Critical” report from Ofcom, felt like this was the right time to make these changes moving forward. They are very difficult changes. We completely appreciate why there is this level of scrutiny and questions around it, but it is very much about protecting regional news.

Q99 **Douglas McAllister:** Back to the radio station again. Just for clarity, I appreciate you are saying that the aim is a mainstream music market, but are the news bulletins going to be produced by STV journalists or is it going to be bought in?

Bobby Hain: The news bulletins will be produced. We will have access to material that we do not produce ourselves because, for example, we do not write international news—a vast majority of radio stations will rely on a syndicated service of material for that—but they will be compiled by our own team.

Q100 **Douglas McAllister:** Are you planning what are often described as wide-scale entry fee competitions?

Bobby Hain: We do have plans to run competitions on the radio station at some point. That is an important part of building loyalty. You see in most radio stations there are mechanisms that attract people to either contribute or listen to see if they can win. That is likely to be part of our entertainment mix at some point in the future.



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Q101 **Dave Doogan:** I am just trying to understand what your offer will be compared to the Bauer media network across Scotland. What is going to be different?

Bobby Hain: If you look at the Bauer stations, which have been twofold legacy FM and AM services, the AM services now share syndicated UK content. They did have material made in Scotland. I believe there is little or no material that is made in Scotland on those former AM services. It has been very successful, to be fair, in the "Greatest Hits Radio" service that has been created out of that old AM network. The person who created that service is now running our radio station, Graham Bryce, who is a former Bauer radio executive.

The Bauer stations across the country on FM share a lot of content between themselves, so they are reliant largely on output from either Clyde or Forth. If you look at the age of the station's listeners, many people have grown up with those stations so although the targeting of those stations is a bit younger on FM than it is on AM, the audiences are older on FM because they have, frankly, had nothing else to listen to.

We think that there is a very competitive opportunity for us to offer something that is proudly Scottish—made in Scotland, from Scotland—and that will have presentation contributions not just from Pacific Quay but also from the north and different parts of the country on a daily basis: different shows coming from different areas reflecting different voices and different accents as part of our wider mix. As we have said before, it is very much a music entertainment service targeted at 35 to 54 year-olds.

Q102 **Dave Doogan:** Finally, on your licence renewal, we have discussed that. I do not want to go over that which has been said before, except to ask how would you respond to the fairly tangible perception that you knew exactly what was coming down the line and you did not want to discuss it with Ofcom in advance? You waited until you had your 10-year licence in the bag and then, with unseemly haste, went back to Ofcom to say, "Actually, we don't want to do that now. We want to keep our licence, but we don't want to fulfil the obligations that we just agreed to in this licence." How would you respond to that accusation? Because it looks pretty clear to me that that is what you have done.

Rufus Radcliffe: I would come back to the points we made earlier that the licence renewal is a long process. It started in 2021. In 2022 we were submitting viewing, financial and economic data. It was submitted in 2023 with approval and 18 months later in 2024—

Dave Doogan: But, Mr Radcliffe, your pen was hovering over it in March 2024. That is not a long time ago; that is just over a year ago. The structural events, as you detail them in your market, challenging as they are, they are part of a pattern that goes back way beyond March 2024. You knew the environment in which you were signing up to that contract.



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Rufus Radcliffe: A point of clarification, we submitted our licence in April 2023.

Bobby Hain: Yes. The process is a multi-year process. I would add two further points to the detail we have already covered. The first point to make is that the projections on which the future licence viability was based were made up to 2021. Now, 2021 was a high watermark of both viewing and revenue because it was a bounce-back from covid. People were still locked down during 2021, spending a lot of time watching TV. TV viewing was unusually high and there had been a very quick reduction in ad spend in 2020, which had bounced back in 2021—2021 was a significantly high year in advertising revenues. That was the data point that formed the last part of the work into the Ofcom process. That is the first point.

You are starting from an unusually high projection looking forward at what is going to happen. The trends were clear, but because you had started from a high starting point, what you did not build in was a reduction, reverting to the norm. That is the first point to make. You arrive in the licence period to find viewing has declined faster and revenues have come off quicker than you anticipated.

The second important point to make here is you cannot change the licence details at the point of renewal. You agree what the licences are beforehand and then you move through the renewal process. There is a moratorium on changes as you move through the process. You either make them in the middle or the start of one licence term or in the next licence term. That is why there were no changes.

Dave Doogan: I am not suggesting that you failed to make changes. I am pointing out that very late in the process, you signed up to a contract that I believe you knew you could not meet. I believe you knew that you could not meet your public service broadcast obligations. At the final hurdle when you signed up and agreed to deliver against it, I think you knew that you could not deliver it, and you thought, "We will get this over the line and then we'll renege on it".

Bobby Hain: That is not the case. We are delivering our public service obligations every single day and we have asked for what we think are reasonable adjustments to some parts of our obligations.

One other point I would make, we understand there is a very clear focus on the work in STV North and the changes to news. There are many more public service obligations in our licences that are completely untouched by this and that we will continue to fulfil. The requests we have made of Ofcom are just that today, they are requests for what we think are reasonable changes to both of our licences, reflecting the work that Ofcom itself has published on the challenges facing future public service broadcasting. It is for Ofcom to decide if those are reasonable and appropriate changes. It is a very different position from the one you are suggesting.



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Q103 Dave Doogan: What is worrying me, Mr Radcliffe, is that you have gone nuclear on Aberdeen and STV North in order to balance your books in-year and you are hoping to make £3 million recurring savings every year across STV as a result of this. My worry—and we are discussing what is happening to STV North and staff in Aberdeen now—is that that is not going to get you out of this malaise and that soon you will be looking to come back for even more cuts affecting staff and even more parts of the STV business, which will be a deep concern for people elsewhere.

What reassurance can you give us that this plan—let us call it that—is strategic enough to prevent just another cut followed by another cut followed by another cut at STV?

Rufus Radcliffe: This is why we have run a full and proper process. We have reviewed all parts of our business in order to come up with this cost-savings plan. We believe this is the right cost-savings plan based on the facts that we have at the moment and the trends that we have in the future. Obviously I have no crystal ball, but we believe this is the right plan to put this on a financially sustainable footing.

This is not a nuclear option. This is about protecting regional news and coming up with a news proposition for all viewers, whether they choose to watch in broadcast or in digital. It allows the brilliant journalism that we are so proud of to apply not only for the broadcast world of yesterday and today, but the digital world of the future. This is not a nuclear option. This is about cost savings, but it is also very much being led by viewer behaviour that we see day after day, night after night.

Q104 Chair: Before we finish up, my understanding is that what you have asked Ofcom to allow you to do is to axe the news at 6 pm, as it is currently formulated, and to have a joint news programme covering both STV North and STV Central, as well as dropping the five-minute sub-regional opt-ins within those licence areas. Is that correct?

Bobby Hain: Yes. Technically we are not asking them to axe the news as such, we are asking them to allow us to combine news outputs on both services in the way that we described last night. There is no formal way of us doing that. To be honest, for transparency, we want to be clear that that is what we are intending to do, so that is what we asked. At the moment we share material at the weekend, which is a bulletin that always includes material from the central belt and from the north. That is what we are asking Ofcom to move across to weekdays as well as weekends.

Q105 Chair: You do have another option, which is to move production and presentation of the north version of the news to Glasgow, in effect, which again will have a number of potential redundancies. For that you do not need Ofcom permission; is that correct?

Bobby Hain: That is correct.

Q106 Chair: Whatever happens, whether you get Ofcom permission or not, you



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will move to a new model and it will result in redundancies and a reduction in service, shall we say, in the north of Scotland?

Bobby Hain: In a world where Ofcom did not permit us to change any other aspects of the news, the location of the programme itself would make virtually no difference to what the programme looked like. We do not think that is sustainable and we have made our case to Ofcom on the basis of making further changes. The mechanics are correct, that we do not require Ofcom permission because of other precedents in other parts of the country, and the Ofcom provision in its regional definitions that allows news to be presented from outside the region. However, that is only permitted as long as you have substantial news-gathering reporters, cameras and so on still within the region to make the news in the first place.

Chair: That is helpful to have that clarification. Thank you both for coming along and for bearing with us. It was a slightly longer session than planned, but it was useful and very important to get all of these issues out and on to the record.