



HOUSE OF LORDS

Revised transcript of evidence taken before
The Select Committee on Communications
Inquiry on

**BBC CHARTER RENEWAL:
PUBLIC PURPOSES AND LICENCE FEE**

Evidence Session No. 8

Heard in Public

Questions 124 - 133

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Witnesses: Ken MacQuarrie and Rhys Evans

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Members present

Lord Best (Chairman)
 Lord Hart of Chilton
 Baroness Jay of Paddington
 Baroness Kidron
 Lord Sherbourne of Didsbury

Examination of Witnesses

Ken MacQuarrie, Director, BBC Scotland, and **Rhys Evans**, Head of Digital and Strategy, BBC Wales

Q124 The Chairman: Ken MacQuarrie and Rhys Evans, thank you both very much for joining us. We are now into part two of our session and I am launching off. You have gathered what we are up to. We are looking at the future of the BBC in relation to the charter. We are looking at the public purposes in particular, but we are also looking at scale and scope, and we are finishing up with a look at the licence fee and how it is set each time. I will start the process rolling by asking a question. Perhaps, Ken, you would answer first and then Rhys.

How important is local news provision to local communities, both online and on TV and radio? And how do you measure the impact that that local news provision has?

Ken MacQuarrie: Thank you, Chairman. I think that the provision of local news for the communities of Scotland and for the nation that I represent here today is absolutely vital. Scotland has a diverse population. It is a third of the total land mass of the UK, so it is a challenge to address the different communities, which, with that huge land mass, are often geographically dispersed. Radio Orkney and Radio Shetland would be very good examples of the core delivery of our news offer. In terms of daily news, Shetland and Orkney are absolutely reliant on the BBC services that we offer there—they are hugely popular. We have small teams in both Orkney and Shetland. In addition, we have some 13 bases across BBC Scotland ranging from Aberdeen to Inverness to Stornoway, and of course there are the main hubs in Glasgow and Edinburgh, and also in Selkirk and Dumfries.

BBC Shetland and BBC Orkney provide something that is prized by the audiences, in that in the winter newspapers often do not come through because the planes and ferries do not always arrive according to the timetable or the schedule. But they also provide a focus for engagement and an active point for the community to both celebrate and interrogate their experience.

Often, the pressures for the teams in providing impartial and independent journalism in a small community are as great as they are for those who are part of a large newsroom, where there are collegiate relationships with colleagues. Often, it is a lonelier role in the smaller stations, and I think that sometimes it is easy for the larger newsrooms to underestimate the pressures on the individual journalists working there.

Rhys Evans: To speak from the Welsh perspective, local news matters hugely. We provide news in Wales about Wales in two languages—English and Welsh—so, if you had turned on Radio Cymru this morning, you would have listened to a service reflecting local news in Welsh, news about Wales as a nation through the medium of Welsh, UK-wide news and news about the world.

Radio Wales reflects local news. It is an essential part of the service that it delivers that. Looking at our TV services, the flagship news bulletin in English for Wales, “Wales Today”, reaches around half a million people per week and provides an invaluable service in that respect. Similarly, our Welsh language news programme for S4C, the Welsh language fourth channel, also has local news at its very core.

In terms of the configuration of our news-gathering resources, we have bases the length and breadth of Wales, from Bangor to Wrexham, and from Carmarthen to Swansea in west Wales, as well as a network of home reporters servicing their communities from some pretty far-flung places. Taken in aggregate, I suggest that BBC Wales news does a pretty good job of reflecting the totality of Wales.

Not dissimilarly to Scotland, Wales is a pretty difficult nation to cover. It takes four and a half hours or so to travel from Cardiff to Anglesey. It is fair to suggest that modern Wales as an artefact has largely been created by the BBC, because only the BBC brings together and has done so consistently over the last century or so, north and south, east and west. It has given Wales the cultural and democratic space for her interests as a nation to be reflected both back to itself and to the wider UK.

The Chairman: But you are not alone in supplying news in Wales and Scotland. You have S4C in Wales. How dominant or significant is the BBC compared with everyone else in the provision of news to your communities?

Rhys Evans: Can I just clarify the point in relation to S4C? We provide the daily news to S4C but S4C also commissions independently—separate to us—current affairs programming from ITV Wales. In respect of the indigenous market, there are very different markets in the Celtic nations. If you compare the indigenous news market in Wales with those in Scotland and Northern Ireland, what is evident is a weak news market. The vast majority of news consumed in newspapers bought in Wales is about England; it does not reflect the interests of Wales at all. So, understandably, there is an even heavier burden on the BBC to provide impartial and accurate news which reflects the whole of Wales. It is one of the supreme paradoxes of the last 40 or 50 years or so that Wales as a nation has developed quite significantly. As a polity, it is identifiably, for good or ill, a nation with definable and clear political institutions. But the provision of news, with programme resources and a wide body of journalists who can scrutinise those institutions, has not really kept apace or developed in a similar fashion.

Ken MacQuarrie: In Scotland, the services that we offer in the English language are a news service on Radio Scotland and “Reporting Scotland” on television, as well as all the associated news bulletins. On Radio nan Gàidheal, the Gaelic language service, we offer a particularly strong news service in Gaelic, as we do on BBC Alba. There is also a strong press in Scotland, both at national and regional level, and increasingly there are online manifestations of the publications. The news offer from independent local radio has declined in strength in Scotland over the last couple of decades. There is probably not as much of it as we saw following the initial flourishing of ILR. In terms of online, a number of websites have grown up and cover specific areas of interest, such as specific news commentary. STV offers a very strong news provision. It holds two Ofcom licences and increasingly is offering micro-regions of Scotland.

In the BBC, we tend to have a national offer that is then regional, but it would not be local to the extent that you see in local radio in England. It would have specific exceptions, such as I have mentioned, making specific provision for areas such as Orkney and Shetland.

Q125 Lord Hart of Chilton: Let me preface what I am going to ask you about by saying that I have no knowledge of the Gaelic language. I do not know what proportion of the Scottish nation speaks Gaelic and therefore I am rather ignorant about its importance in a demographic or statistical way. Wales, on the other hand—I am married to a Welsh woman and I owned a sheep farm in north Wales for over 10 years. When I first went to north Wales, it was like going to a foreign country. If you entered a pub, the pub went completely silent as they stared at you. In terms of the farm, no one spoke any language other than Welsh, and my nephews and nieces all spoke Welsh until they were about seven. When you were sitting around a table, you could tell that they were talking about you because they looked rather shifty as they gabbled away, obviously talking about you, but you had no idea what they were saying. So it was very similar to being in a foreign country. I grew to learn that the Welsh language was still vibrant and very important to the people of Wales. But my question today is about the Gaelic language, because in the submission to the DCMS charter review, the Gaelic language channel stated that the BBC is deficient in the way that it is currently serving Scotland and that the BBC is deficient in the way it is currently serving Gaelic broadcasting. They have called for a set of guiding principles to provide a coherent framework which is consistent with the philosophy on supporting investment in language programming. The question is this. Do you feel that local language programming is sufficient in each of your nations—it applies to Wales as well—and are there sufficient resources available to enable you to do that properly?

Ken MacQuarrie: As far as the Gaelic language is concerned, the two languages identified are in different situations numerically and in terms of status within their respective nations. BBC Alba has been an outstanding success in terms of its audience approval. It is a licensed BBC service which works in partnership with MG Alba in terms of funding. To my mind, it is a very successful partnership. The BBC Trust sets very clear targets in terms of the reach the service would deliver and it has on every count exceeded those targets. Although the language is not spoken to the same extent as in Wales, certainly the audience performance of the service has been excellent.

I guess, in terms of whether it has sufficient resource, it is always difficult. Any community or linguistic service would like to have a full-blown service with everything that the, if you like, majority language would have. I believe that the BBC has been absolutely instrumental in the development of Gaelic language broadcasting. I do not think that it would exist at anywhere near the range of creativity and programming that it does without the investment from the BBC. So on resources, I believe that we are adequately provided for, but it is something that we are going to consult with our audiences about with the BBC Trust during the present consultation. We will also take feedback from the audiences on the specific resource question. I can only say that I am proud of what the BBC has delivered as far as the Gaelic language is concerned.

Rhys Evans: Can I just add to some of Ken's observations overall in terms of the BBC's approach towards indigenous languages, Gaelic, Welsh and so on? The BBC takes those responsibilities very seriously and its responses are reflective partly of history but also of present need. So to address the Welsh position specifically, Radio Cymru was established in

1977 and it performs an absolutely invaluable role for Welsh speakers. It reaches around a third of fluent Welsh speakers every week, which equates to 1 million hours of Welsh language content being heard. It is delivered only by the BBC and no one else does it. It broadcasts across a range of genres, from sports to news to eisteddfods and pop bands. Only the BBC does that on a weekly basis. The next column in our provision is our online services. These are particularly important in view of changing consumption patterns. We have invested quite heavily over the last two years or so in the Welsh language online service, which has doubled the number of weekly unique browsers who go to our Welsh language content offer. Please bear in mind that it tries to provide a window on the Welsh language. Then, last but certainly not least is our provision of programming to S4C. We provide under statute or law some 520 hours of content to S4C, which then commissions the balance or the remainder of its content from a range of independent TV production companies in Wales. So if you look at that total ecology, what you see in respect of the BBC's role in this is an organisation taking its responsibilities very seriously.

Perhaps I can turn to the second part of the question about resources. You have already heard about the challenging financial constraints facing the BBC between now and the end of the next licence fee period in 2021-22. Resources do matter, but technical capability also matters. To go back to your personal situation in north-west Wales, that position of overall fluency is changing quite quickly. We find ourselves in Wales in a paradoxical situation where, while the overall number of Welsh speakers is stable at around 560,000, what we find is that within that bloc is a different range of linguistic competencies. So the challenge for the BBC and all other media providers in Wales with an interest in this is to make sure that, using new technologies, we can get our available content to audiences whose consumption patterns and the way they get content are changing quite quickly. One of the very successful partnerships that we have brokered over the past year or so has been the accession of S4C into BBC iPlayer. S4C is the first independent television station or service with a channel on iPlayer. As a result of that, S4C is available on 1,200 iPlayer-enabled devices and that has led to an additional 80,000 weekly viewing sessions of S4C's content. There is a lot that can be done even within the existing financial resources.

Q126 Baroness Kidron: My question follows on rather seamlessly from what you were just saying because we have some evidence from TAC, the trade association representing TV production companies in Wales, which in turn quoted the BBC Trust report—sorry about this but it is all for the record. “The Trust will also want to see how the BBC's production centres across the UK intend to work more effectively together with the independent sector based in different parts of the UK to develop creative, sustainable, local ecologies”. TAC then went on to say that it would like to see that included in the charter agreement as an expressed objective to be delivered by the BBC and measured by whatever regulator replaces the trust. In that rather complex outline, my question is whether you would feel that it would be beneficial for such a specific objective to be included in the charter that deals with BBC engagement with independent production companies.

Rhys Evans: In respect of the current position of our regulatory obligations, we take those very seriously. In respect of English-language television programming for both BBC1 Wales and BBC2 Wales, we guarantee 35% of that content to the independent sector. The current level of provision by hours is 37% in terms of eligible hours broadcast on both BBC1 Wales and BBC2 Wales. There are also quotas in respect of Radio Wales and Radio Cymru. The percentage of eligible hours broadcast by Radio Wales is around 26% and 19% for Radio

Cymru. The whole question of quotas, as you know, is wrapped into the even bigger question of the BBC's supply structure, and ideas in respect of that. For BBC Studios, we have said that we are currently consulting on how exactly local television provision will be reflected in view of the overall BBC Studios proposal. Beyond the regulatory question of what the tariff should be—25% or 30%—the imperative for both us and the independent sector is to work together to ensure that Wales as a nation can be as creative as possible and that we can deliver the best ideas possible, building that critical skill for the benefit of our audiences.

Baroness Kidron: Are you saying that you do not want to see something expressly in the charter because you feel that it sits within these bigger issues and that what is happening on the ground is actually working? Is that what I am understanding?

Rhys Evans: I am certainly not ruling it out; what I am saying is that in terms of the current position, we take great heed of our current obligations, but there are even bigger structural questions about television and radio supply to be addressed. This specific question needs to be addressed alongside those questions.

Baroness Kidron: Ken, maybe you could talk about whether there is a similar tension in your region.

Ken MacQuarrie: In Scotland, when we are delivering programmes to the network, some 70% of the output is delivered by independent producers in Scotland. The network spend under what we call the network supply review is set at a target of 8.6% of the eligible spend of the BBC. It was designed as a strategy to spread the economic benefits of the BBC across the UK. In terms of how it works, it has worked very well in terms of meeting the targets and creating a body of work. There are always questions over sustainability. While you want to refresh, many companies are looking for sustained work over a period of time in what we would call returning strands.

As far as local production is concerned, it is for Scotland only. Of the output we deliver for Scotland, 35% is delivered by independent producers. On the specific question as to whether you would have a purpose to reflect that, ultimately it is a matter for the deliberations of the charter. I have been lifelong in the BBC, and looking over the past decade I have seen the changes from the first charter in terms of how we are delivering online and on mobiles et cetera. Instinctively, I believe that outcomes and outputs that are measurable are a better way of achieving the purpose than defining the operation within the BBC. That would be my personal view. But, again, we would want to engage with the independent sector to understand in what way we were not meeting their specific creative needs. The goal has to be to get the very best programmes, the very best ideas and the very best programme makers working with the BBC.

Q127 Lord Sherbourne of Didsbury: I would like to ask a question about the public purposes and how they operate at a very practical level in both Wales and Scotland. I begin with a little anecdote which cannot be as interesting as the one from Lord Hart. I went recently to my local authority office. On the wall, it was proudly said, "Our 50 Promises to You". I said to the lady behind the counter that it would be easier if there were only three because you might remember them. Fifty is a lot to remember. Looking at the public purposes, when you have meetings at high management level, when you are doing analysis reports or checking how you achieve these things, I am sure that people remember what those six public

purposes are, but in everyday life, would it not be easier if you just stuck with, “inform, educate and entertain”? Would that not be more practical?

Ken MacQuarrie: I have lived my lifetime with “inform, educate and entertain” It has run through me like a stick of rock from the very first day that I joined the BBC. But I have found the public purposes in defining the specificity a good framework to work within, particularly when you are working across radio, television and online. In creating programmes, telling stories and with the fundamental curiosity that journalists bring to the table, I would not encourage them to be checklisting against the public purposes to see what story they might tell. For the leadership of the BBC, it provides a very useful framework to say, “How over the last three months have we delivered against these purposes to these audiences in what we are doing?”. It is important that the leadership in the specific areas of learning, education, the arts and news, should, as previous evidence has accounted, have some of the public purposes front of mind. What I find useful is the framework, but it should not become a checklist against which we try to measure the output.

Lord Sherbourne of Didsbury: Just so I am clear, are you saying it is more a measurement tool than a management tool?

Ken MacQuarrie: I see it as a leadership tool or a management tool where we can check ourselves. Essentially, I regard the charter as a promise to our audiences and to ensure that we keep faith with the charter and with the purposes in the output that we deliver.

Lord Sherbourne of Didsbury: But do people lower down doing the day-to-day work and producing and commissioning programmes understand all these six purposes?

Ken MacQuarrie: They understand them. Regularly, when leadership gets together with staff we will remind staff of them. But in a newsroom or even in any of the production departments, they do not use them as what I would describe as a checklist. They inform the audience; they educate the audience; they entertain the audience and within that try to deliver on the public purposes. The objectives for specific departments are framed in the context of the public purposes. Personally, I have found them a very helpful and useful framework.

Lord Sherbourne of Didsbury: Turning to Wales, do you also find them helpful in day-to-day work?

Rhys Evans: Broadly, yes. Overall, as a public accountability tool, they are useful. They also set boundaries between public and private in terms of the BBC’s activities. Drilling down into the more everyday activities, yes, I think that a profound knowledge of the public purposes is to be seen in what BBC staff members do, but I concur with Ken on the danger of a focus on public purposes being overly prescriptive. In the end, the BBC relies on good journalists and writers to deliver good content for our audiences.

Q128 Baroness Jay of Paddington: Following on from Lord Sherbourne’s general question, I wanted to talk to you about the fourth public purpose, of reflecting the nations, the regions and the communities. As you will be aware, in the trust’s latest report, this was the one for which it seemed there was the most lack of success—in fact it was widening. Both of you have spoken very powerfully about the role the BBC has played in creating the importance of the local languages and the other areas of news et cetera. Can I raise the difficult question of nationalism? Rhys spoke of how the BBC might have created modern Wales. Presumably you would not say it created modern nationalism, but I wonder whether there is a sense in which

the growth of those kind of political movements has been reflected in this disapprobation, if you can call it that, of the role of the BBC in delivering that fourth public purpose. Or are there other, more important reasons why that is growing?

Rhys Evans: I have absolutely no view whatever on the reasons for the growth of nationalism so—

Baroness Jay of Paddington: No, I am talking about whether you think that has any impact on the failure, apparently, to deliver on reflecting national interests.

Rhys Evans: I would look for other reasons. First, there are market reasons. When you look at the indigenous Welsh market over the last seven years or so, there has been a marked decline in the amount of English-language content that reflects Wales back to itself. Obviously, that is a matter of shared concern, so I am not overly surprised to see some of that reduction potentially being reflected in the representation score. The second thing I would say is that when the BBC Trust comes to look at this question, as Ofcom has, it will be quite clear that people want more. They do not see their lives in terms of being Welsh only or British only. In terms of identity, Peter made the point earlier about the changing nature of the UK, which is now more atomised and subtler perhaps. People's expectations of what culture is and the way culture is delivered is quite subtly different to what it was, say, 20 years ago.

Baroness Jay of Paddington: What are the specific challenges which you face in trying to reflect that and close these kind of gaps?

Rhys Evans: Looking at the BBC alone, there are a number of challenges. It is important to note that we start from a strong base in terms of what we do in Wales on BBC1 Wales and BBC2 Wales: our local programming in English reaches 900,000 or so viewers on an average week, which is a very high number. That non-news programming covers a range of experiences. I will just give you a flavour of some of our seasons: we have had a season looking at health and obesity in Wales, chronicling the lives of people in Wales; we have had a season looking at the experience, history and unique culture of the south Wales valleys; and of particular interest to Lord Hart perhaps, we have had a series looking at the unique culture of north Wales as well. Those types of programmes perform an absolutely invaluable role. There has been evidence of a reduction of non-news programming about Wales, and it is good to see that question of portrayal, particularly network portrayal, in the BBC's charter proposals in *British Bold Creative*. It delivers a big impact when a programme about Wales, whether a drama or comedy, is played on the network, and the question of how we improve portrayal is quite central to that document. There is also, importantly, a commitment there to developing and delivering BBC Three-style interactive television portals for the nations, which would, again, offer a suitable broad range of digital content, particularly for younger viewers.

Baroness Jay of Paddington: I imagine it would be pretty obtuse to assume that you do not have particular challenges in this area in Scotland.

Ken MacQuarrie: If we look back over the last 18 months, 2014 was both a fantastic and a challenging year for the BBC. It was reporting a huge political story but at the same time celebrating the fantastic diversity of the Commonwealth Games in Glasgow. We produced a range of content which met both these challenges very well, with some 200-odd hours of specialist programming across the BBC's networks devoted to the referendum, and delivery

from the Commonwealth Games of not only the Games themselves but the associated cultural programme around them. In terms of defining what is underpinning the audience's appraisal of us as not delivering the fourth public purpose, to some extent, this has been a challenge for Scotland for a longer period than within the specific political dimension that we have at the moment. I tend to focus very much on the audience and audience attitudes. These attitudes are quite long-standing and predate even the last decade—you can see similar strains if you go back to 1992. Where we have measured this, and invested in more content to tell the stories, we find that the scores go up. There is this appetite from Scotland, given the position of Scotland within the United Kingdom. As all of you know in your lives, there has always been a very strong sense of Scottish identity and, if anything, that sense of identity has grown in different and complex ways. It is very difficult at this juncture, when you are actually in the moment, to try and understand fully what is going on in terms of the relationship between audience attitude and political expression. The important lodestar for the BBC is audience aspiration—how they want to be seen and to tell stories. There are some great examples of that. Over the last couple of weeks we have something called “nations to network”, where we take programmes from the nation and make sure that they are shown on one of the BBC's networks. We had three programmes in one week, including one on food banks, looking at the users of food banks and how that phenomenon was manifesting itself in Scotland. Another was “Planet Oil”, which was essentially a history of the oil industry and its effects and the current shape of that industry and the global forces, as well as how they are manifesting themselves in Scotland. The third was something called “Prawn Wars”, which was about the prawn fishing industry. When you get that sort of conversation between a fisherman in Shetland and a fisherman in Cornwall, who are seeing different perspectives to the same story, that is where creativity and storytelling come alive and both inform and surprise the audience. That is the BBC working at its best. I am pleased and proud to say that all these three programmes, pretty much, were chosen as picks of the day across the UK press.

Baroness Jay of Paddington: You obviously have huge experience, as you said earlier, of working at the BBC and of Scotland, which I certainly do not have. Do you feel that you have any shots in your locker, as it were, that can take you forward in trying to reduce this problem about the fourth public purpose, which I can see being used in a way which is probably completely unfair?

Ken MacQuarrie: I think that the Scots want not only to tell the story to themselves but to share it with the whole of the UK, so both dimensions of storytelling, to and from Scotland, are equally important to our audiences.

I think that drama has a particular role in this, and that fiction has a particular place. It creates an emotional response in the audience that is important. For younger audiences, I think that comedy is particularly important. Essentially, comedy, when we do it well, can interest a younger audience in subjects that they would not otherwise be interested in.

Political satire has long been a tenet of the BBC and I approve of it, applaud it and encourage it. There are other manifestations of modern life. Recently, we did a very funny sketch which was really the Facebook generation laughing at themselves in terms of their likes, shares, et cetera. We got an incredible number of hits; a sketch from one of the comedies we made locally was something that went viral very quickly. So it is not just about politics, it is about holding a lens to our lives. I think that all the genres—comedy, drama, specialist factual, factual and, of course, news and current affairs—have a huge role to play here.

Q129 The Chairman: Rather naturally, we have concentrated on geography in terms of representing nations and regions. I wonder whether that criticism—that this particular public purpose was not being fulfilled—was not also about the third word there, which is “communities”. Do you feel that in those other ways of interpreting community—faith communities, communities relating to language or race—the BBC is up to speed on that kind of representation, too?

Ken MacQuarrie: In terms of the different communities of Scotland, whether geographic or bound, as you say, by belief or aspiration, it is really important for us to address them. If you take communities of faith, I think that that is something we do particularly well in our output on Radio Scotland. It is something that I would never wish to be complacent about. I am not sure that you can ever rest happy that you have done enough in that regard. When you get it right, it is when you tell a particular story and that particular story becomes universal, either because it feels authentic or just because of the particular circumstance. In Scotland, we use two words which I think are thrown around too often, which are “parochialism” and “kaleyard”, which are pejorative words in that regard.

For me, truth-telling and authentically telling stories from communities, in all my experience, travels not only to the UK but often to the world.

Rhys Evans: On this point, it is imperative that in BBC Wales we tell the collective and individual stories of Welsh communities so that they are reflected back to their own areas and also have wider geographical resonance both within Wales and also, where appropriate, on the wider TV or radio network. I think that we do that very successfully.

To go back to some of the seasons that I talked about, the north Wales season brought together a range of television programming looking at what it meant to be living on the Llŷn peninsula, or what it meant to be working at the BAe aerospace factory in Broughton. It goes back to my earlier point about BBC Wales reflecting the whole of Wales. That matters, but it is also important—this is in our mission statement as an organisation—that BBC Wales reflects contemporary Wales, not some idealised version of Wales as it perhaps should be or as it was, with choirs and coalminers. Contemporary Wales has changed significantly over the past 25 years or so, and it is imperative that BBC Wales reflects the Wales that is in front of us.

Q130 Lord Sherbourne of Didsbury: Can I turn to the wider question of your accountability? I will ask the same question to each of you, perhaps Mr Evans first. When you account for yourselves and each of your areas of the country to the BBC Trust, does it assess you primarily by how far you have achieved the public purposes?

Rhys Evans: There is certainly a focus on delivery against the public purposes, if that is what you are asking. Perhaps it would be helpful for me to describe the level of engagement and interaction with the BBC Trust and its main body in Wales, the audience council. We, the executive, report on a monthly basis to Audience Council Wales. We present a summary of key strategic and editorial developments to it. At that monthly forum, they ask us a range of questions about what BBC Wales is doing in respect of serving audiences with both its dedicated services and its network services. We also present to the Audience Council Wales on an annual basis using a range of standard BBC metrics about the performance of our services, so it might be Radio Wales, Radio Cymru, our English language television programming and the BBC’s contributed programming, as it is called, to S4C. Finally, the

other main interaction between the BBC executive in Wales and the audience council/the trust is the review of Radio Wales and Radio Cymru service licences. The last one was conducted back in 2011 and I can tell you it was a pretty thorough experience. They looked in detail at the performance and strategic ambitions of both those services. To bring us up to date, the trust is about to engage on another review of the Radio Wales and Radio Cymru service licences.

Lord Sherbourne of Didsbury: To put it a little more simply, if a licence fee payer in Wales wanted to know the extent to which you had achieved your public purposes or had failed to achieve them, where would they find that information?

Rhys Evans: The audience council publishes an analysis annually of the way we have performed.

Lord Sherbourne of Didsbury: Against those six public purposes?

Rhys Evans: Yes, exactly.

Ken MacQuarrie: It is a similar position in Scotland. I am a director accountable to the director-general, then through the director-general to the trust. In addition, I meet monthly with the Audience Council Scotland, which is chaired by the national trustee for Scotland. The work of those meetings is to examine how well we have delivered against the framework of the service licences, but also the public purposes. The audience council has the ability to conduct its own research. It runs events with members of the public giving their viewpoints on particular issues and questions. Then, through the trust, we are held to account against delivery.

Lord Sherbourne of Didsbury: Again, if I were a licence fee payer in Scotland, where would I find information on how far you had achieved this?

Ken MacQuarrie: You would find that both on the trust website and on the Audience Council Scotland website. Each year, we publish an annual review coincident with the main annual report of the BBC. That is also published online. We have always given that to the Scottish Parliament and to the Westminster Parliament. They have made that available year on year. These are the mechanisms of accountability.

Lord Sherbourne of Didsbury: They are specifically to do with the six public purposes?

Ken MacQuarrie: They are specifically to do with the public purposes and delivery against the service licences. It may be helpful to explain that we have a service licence for Radio Scotland, for BBC Alba and for Radio nan Gàidheal in Scotland, but not for the programming we make on BBC1 Scotland, BBC2 Scotland and for BBC Three and BBC Four. We are considered within the overall service licence for BBC1, BBC2, BBC Three and BBC Four.

Q131 Baroness Jay of Paddington: This is another quotation from the written evidence we had from TAC. I will read it to you. It applies specifically to Wales. "Commissioning in Wales is mainly confined to content that is made specifically for Wales, rather than for the wider UK audience. We believe this shows a lack of understanding of what catering for the nations and regions of the UK is really about". Having heard you speak in various answers to different questions, I think I know what your likely reaction will be, but perhaps you could expand on that.

Rhys Evans: Can I first say that TAC is a very important partner? It delivers an important function in representing some of the independent companies working in Wales. I am not quite sure I recognise TAC's position. If you look at some of our output for BBC1 Wales and BBC2 Wales, a significant proportion of that output over the last couple of years has benefited from what Ken alluded to earlier—the nations-to-network initiative—so that content originally intended to be broadcast on BBC1 Wales or BBC2 Wales makes its way to the wider network. It is appropriate that TAC continues to hold our feet to the fire—as does the rest of the independent community in Wales and elsewhere on this—but I am not quite sure that that is the full position.

One other thing I would say on our relationship with the independent community in Wales is this. In 2012, we opened the Roath Lock Drama Village, which is a 175,000 square foot production facility, home to “Doctor Who”, “Casualty”, “Pobol y Cwm” and other productions. It has been hugely successful in its own right for the BBC in terms of direct BBC employment and as a creative beacon of what can be achieved outside London. The other important thing to emphasise is that it has also helped catalyse a wider creative sector in Wales. If you spin the clock back to 2007—the start of this charter period—we produced around £3 million of content for the network. Now we in Wales produce £59 million-worth of content for the network. We have our production facility, Roath Lock, and, thanks to the interventions of other partners, such as the Welsh Government, Creative Skillset Cymru, Cyfle, S4C and the wider independent sector, we have three other major production facilities in Wales: Pinewood, Dragon Studios near Bridgend and Bay Studios in Swansea. What you see in action here is the way the BBC can catalyse a whole sector with the result that the number of people working in the sector has increased by 50% or so. When you compare 2005 to 2014, the number has increased to 47,500. That is a 50% increase.

Baroness Jay of Paddington: You have very clearly got on record your reaction to that written evidence. Thank you.

Q132 Baroness Kidron: Your colleague from Northern Ireland said how important he thought it was that commissioners came to Northern Ireland to see the work that they are doing there. Do you both echo that?

Ken MacQuarrie: Yes, I very much echo that. There are two aspects to the BBC's operation: one is the production of the stories, if you like, whether they are online, radio or TV in terms of content. The other is the decision-making point as to which stories are funded and told. It is very important that the commissioners, as they do, have a very close relationship with the creative community in totality or supplying them, but also whether that is in-house or independent. In Scotland, we have had a very good experience, with the daytime commissioner, Jo Street, working out of Scotland. That has been a very positive result. We have also had some factual commissioning and entertainment commissioning based in Scotland. That gave it pan-UK responsibilities, but it happened to be based in Scotland, rather than New Broadcasting House. That has worked very well. Another area that has worked well is that Natalie Humphreys, controller of factual production for the BBC, is based in our building in Pacific Quay. She is responsible in-house across the whole of the BBC. These two arms, both the supply side and the buying, are important. Personally, I think it needs a mix of what we have in Scotland, where you have commissioners on the ground, but relationships with the UK commissioners also have to be strong.

Q133 The Chairman: A final question to you both. We have had witnesses who have told us that the BBC does too much, that it tries to be something for everyone, that this universal approach is taking its scale and scope too far and that it should contract. Other people think that the BBC should be doing more: that it has faced cuts but there are opportunities to grow. From the perspectives of Scotland and Wales, where do you think these arguments stand? Could and should the BBC be going further and doing more, or are there opportunities to cut back a bit and save on the licence fee as a result?

Ken MacQuarrie: On the argument over scale and scope, I think the critical mass of the BBC is a huge part of its creative delivery. I believe that by the scale and scope we are meeting the aspirations. We are not a certain scale and scope for the sake of it. That derives from the needs and aspirations of the audience, to deliver to that audience. I believe very firmly that that ability to have that strength of creative community, the peer group review and the career paths within the organisation is a huge part of the BBC's success. I would be against a reduction in the scale and scope of the BBC. I believe that the BBC is a wonderful ideal. For the most part, it delivers against that ideal, but once you damage it you will never be able to repair it. I believe, having travelled across the world—I am vice-chair of the International Press Institute, which deals with 147 countries, the safety of journalists and freedom of expression—that we should not take lightly what we have in this country in the shape of an impartial, independent BBC in both the creative and the journalistic sense.

Rhys Evans: The challenge around scale and scope is absolutely appropriate and it is good that the BBC is exposed to this type of scrutiny. My question on scale and scope would be: too big compared to what? Also, looking specifically at Wales, what are the negative effects of an overweening or an over-big BBC? Based on the available evidence, I cannot find any evidence of the BBC having a negative effect on Welsh culture, Welsh journalism, or the Welsh economy as a result of its activities. If anything, the contrary case is true: Wales is reliant on the BBC in terms of the national cultural and civic discourse that it facilitates in bringing communities together in reflecting two languages. That reliance in the next charter period, given market forces, could well be even greater than it is now.

The Chairman: Thank you, both, very much indeed. As you two bring to an end our BBC interviews for the morning, I thank you on behalf of my colleagues—perhaps you could pass this back to all your colleagues. Thank you for having us here. We are going to carry on this afternoon with people who are not from the BBC. It has been great having the BBC contingent before us, but it has also been great to enjoy your hospitality. Thank you very much, and please tell your colleagues that we are very appreciative of that.