

Defence Committee

Oral evidence: [BBC Monitoring](#), HC 748

Tuesday 22 November 2016

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[Watch the meeting](#)

Members present: Dr Julian Lewis (Chair); Douglas Chapman; James Gray; Jack Lopresti; Johnny Mercer; Mrs Madeleine Moon; Jim Shannon; Ruth Smeeth; Mr John Spellar; Bob Stewart; Phil Wilson.

Questions 67-189

Witnesses

[I](#): Sara Beck, Director, BBC Monitoring, and Francesca Unsworth, Director, BBC World Service Group.

[II](#): Rt Hon. Sir Alan Duncan MP, Minister of State, Foreign and Commonwealth Office, and Robert Deane, Head of Knowledge and Technology Directorate, Foreign and Commonwealth Office. .

Written evidence from witnesses:

– [Her Majesty's Government \(BBC0005\)](#)

Examination of witnesses

Witnesses: Sara Beck and Francesca Unsworth gave evidence.

Q67 Chair: Good afternoon, everybody. Welcome to this public hearing about our inquiry into the future of the BBC Monitoring service. Before we start formally, we are going to do something slightly unusual, which is to play a broadcast about the future of the BBC Monitoring service, which was broadcast by BBC2's flagship programme, "Newsnight", in June 2014. Before we begin that recording, I would like to invite our two witnesses to identify themselves for the record.

Sara Beck: I am Sara Beck, the director of BBC Monitoring.

Francesca Unsworth: And I am Francesca Unsworth, director of the World Service Group.

Chair: The Committee has decided to screen part of an episode of "Newsnight" about the BBC Monitoring service before beginning the formal evidence session. During the screening, which is about 15 minutes long, can I ask all members of the public to turn off their mobile devices and to refrain from speaking because all sounds in the room will be picked up by the microphones and will be broadcast? Thank you. We will proceed.

[The Committee suspended whilst the video was shown]

Q68 Chair: Order. The Committee has formally agreed to meet jointly with the Public Administration and Constitutional Affairs Committee this afternoon, and we have a representative here today. To start off, I would like to give you the opportunity to set one very important thing clearly on the record—that none of the work done by the BBC Monitoring service concerns secret intelligence information, and that all the work done by the service and its employees is about purely open source information. Would you like to confirm that and elaborate upon it?

Francesca Unsworth: Yes, we can confirm that. The work of Monitoring is entirely dedicated to monitoring open sources. That is what it does and always has done. I don't think there is anything new in that.

Q69 Chair: And the recipients of its work have always primarily been Government Departments and agencies? That is what it was set up to do—to monitor foreign broadcasts, initially, and to send the results to Government Departments and agencies.

Francesca Unsworth: Yes, that was probably the primary—obviously I cannot go back to when it was set up, but that is my understanding of why BBC Monitoring was set up in the first place.

Q70 Chair: There seem to be two themes running through the video that we have just watched of part of a "Newsnight" programme, which I have to



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say is an extraordinary hatchet job for one part of the BBC to do on another. The two themes are, first, a big question mark over whether any part of the BBC should be gathering open source—not secret—information on behalf of Government agencies and Departments at all, and secondly, that even if it had been all right to do that in the past, when the Government were paying for it, it is no longer all right to do it now that the Government have stopped the special grant and offloaded it on to the taxpayer. To which of those two views does each of you subscribe, if either?

Francesca Unsworth: Going back to your previous question, Monitoring was set up to monitor open sources for the Government. Where has it evolved to? It is about monitoring the international media, and that is of interest to people more widely than just Government agencies and companies. It is also of considerable interest to the journalistic enterprise. Monitoring now has a value, I would say, well beyond its original purpose, which the BBC makes a great deal of use of.

Q71 Chair: But the part that is of interest to the Committee—in case anyone is wondering why the Defence Select Committee would be doing an inquiry into the operations of BBC Monitoring services—is quite simply that, as the Secretary of State for Defence said in answer to a question on the Floor of the House, the open source information that BBC Monitoring supplies to the Ministry of Defence “is of the utmost value.” What is emerging from the critique of that programme, surely, is that—possibly because it is now of wider interest to the general journalistic community—a view has built up that it is no longer appropriate that this work should be done for Government Departments and agencies, even though it is only open source information. Is that correct?

Francesca Unsworth: Well, I am sure that there are some people who have that view, yes. As Laura expressed perfectly cogently in the film, there is a school of thought that says that the BBC should not be supplying Government.

Q72 Chair: Do you subscribe to that view?

Francesca Unsworth: No. I say that we live in ambiguous times. As long as we are able to put enough checks and balances into what we do, I think it is okay to be supplying whoever wants this kind of material, whether it is journalists, Government or companies, given that the nature of the material is readily available.

Q73 Chair: Let’s be quite clear about this. This service was set up specifically to help certain Government Departments and agencies. I think it is true to say that it helps six main bodies, possibly more—the Foreign Office, the Cabinet Office, the Ministry of Defence and the three intelligence services. One of the reasons that it is able to help these agencies from out of house is that, because you are not doing anything with secret information, you can employ people with certain skills who would not pass a vetting process if they had to be employed by Government Departments. Isn’t that right?



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Francesca Unsworth: In a way, that is a question for Government about why they would want an independent monitoring body to do that kind of work for them. I do not know whether—

Chair: Let me put it another way.

Francesca Unsworth: Let me finish. It is also that they value the fact that it is an independent perspective, and it is done by journalists, not by people who work for Government.

Q74 **Chair:** But it is a fact that the people you employ do not have to pass positive vetting procedures.

Francesca Unsworth: That's right; they don't.

Q75 **Chair:** Whereas if they were employed by Government Departments—certainly the intelligence agencies—they would. Therefore, this is adding to the resource of Government because it means that they can use specialists who they would not be able to employ themselves, but they can use them externally to do this sort of work.

Francesca Unsworth: Well, I think it is more that this is in addition to what they are able to do for themselves. I guess intelligence comes from all sorts of areas—you will know more about this than I do—and what the international media are saying is just one element that can feed into that.

Q76 **Chair:** I just want to be clear on the question of the way in which the Government stopped funding. When the Government stopped funding, this all fell on to the licence payer, so there is a critique to be made that the licence payer should not be paying for the Government to get open source information work done by the BBC. If the Government had not stopped paying, and if they were magically to wave a wand and say, "We are going to reinstate something of the order of £20 million or £25 million a year"—which is not very much in terms of Government budgets—would it then be all right for BBC Monitoring to resume its traditional role of supplying open source material to the intelligence agencies and to relevant Government Ministries, or would the BBC still be unhappy about it?

Francesca Unsworth: No, I think that the BBC would be happy to—

Q77 **Chair:** They are not happy about it when licence payers are paying, but they would be okay about it if the Government resumed paying for it themselves. Is that right?

Francesca Unsworth: Who is not happy about it?

Q78 **Chair:** The BBC. That film was saying that sources at the highest level of the BBC feel that this sort of work is inappropriate.

Francesca Unsworth: Well, that's not what James Purnell said in the interview, and he was the head of strategy.

Q79 **Chair:** That is not what he said; it is what "Newsnight" said.



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Francesca Unsworth: Well, whatever Owen had was not on the record. We could see from the interview that James Purnell, who was then the head of strategy, was quite clear that he was perfectly happy with the licence fee funding this and was prepared to honour the agreement that was made in 2010.

Q80 **Chair:** But he also said we would look at the situation with the next round of agreements, and you are proposing to make all these changes, which is going to result in the closure of Caversham Park, the loss of many of the specialist staff and the separation of the operation from the Americans in the same building. I want to be absolutely clear on this. You are saying that it is perfectly proper, regardless of the “Newsnight” thesis, for the BBC to do a monitoring operation and to supply open source—not secret—information to Government agencies like the intelligence services, the MoD, the FCO and the Cabinet Office.

Francesca Unsworth: If they were paying, you mean.

Q81 **Chair:** Well, I want to know (a) if they were paying or (b) if they were not paying. On (a), if they were paying, you said yes already, but at the moment they are not paying. Do you still think it is appropriate for the BBC to do this work now that the licence payer is paying and not the Government?

Francesca Unsworth: Yes, I do, because there is a benefit to the licence payer of the material that Monitoring are collecting, which appears on our outlets on a daily basis. We see it on the website. We have the monitors that are interviewed on many broadcast programmes on all sorts of issues. I think it is entirely appropriate.

Sara Beck: The BBC is honouring the fact that we took over the service in 2013. The changes that are being made—the closure of Caversham Park or the move away from the Americans—are actually aimed at modernising and improving Monitoring’s service and making it more relevant and more sustainable for the future. It is not that the BBC is walking away from Monitoring. In fact, a lot of the work we are doing is folded in quite firmly to some of the future-facing work that BBC News is doing as well. I do not sense, as the director, a movement away from Monitoring or any sense of unhappiness with it.

Q82 **Chair:** So, for the absolute avoidance of doubt, you are both saying that there is absolutely nothing wrong with the BBC monitoring open source information at the behest of Government Departments and Government intelligence agencies and supplying it to them in the future, as it has done in the past, even though it is no longer funded by Government grant. Is that correct?

Francesca Unsworth: Yes.

Sara Beck: Yes.

Q83 **Jim Shannon:** At this time, with us leaving the EU, with the changes in the world and with the proliferation of terrorist organisations, never was there a greater need to monitor a lot of the channels around the world.



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We need to listen to them and know what they are thinking and what other nations have in their minds. That being the case, the obvious questions we want to ask you are in relation to the staffing levels at Caversham Park and abroad. Can you give us some detail about what your new staffing levels will be at Caversham Park?

Sara Beck: In terms of the UK staff?

Jim Shannon: Both UK and abroad.

Q84 **Sara Beck:** In terms of the UK, we will be closing a significant number of posts in the UK, which is a difficult thing to do. We have tried to protect the international offices more, because I do believe that that is a unique strength that BBC Monitoring has. So there is a higher proportion of post closures in the UK. We have tried to address the post closures intelligently and in the best way that we can, so we have not lopped equally across all teams. We have taken a disproportionate amount out of the management layer, which means that we have streamlined from the very top right through the organisation. So we have saved posts in middle and senior management, and that includes in international offices. In certain offices—for example, in Kiev or Nairobi—we are maintaining the teams but having fewer managers in there. That is one of the first things we are doing.

We have also prioritised our key areas, so we have priority areas of a Middle East team, an Iran team, the Russian team, the Jihadist team, which have taken fewer post closures than some of the other areas. We have worked to the priorities that we know our services are used for in the BBC, within Government and for our American partners as well. The Jihadist team will actually expand slightly. We will also be opening some posts with Turkish capacity because I consider, as you say, with some of the changes recently that that was an important area for us to look at, and we were able to do that in the most efficient way using a new BBC office. We have tried to apply these in intelligent terms across the teams. Like I say, it is not easy and some teams will be reduced.

The Russian team in Moscow, for example, will remain the same size because I think it is very important to be where you can be in-country and have the extra knowledge that living and breathing the coverage brings. The UK Caversham team, which is currently at 13, will reduce by four posts. So the Russian team will be smaller in Caversham, whilst we remain in Moscow at the same level.

Q85 **Jim Shannon:** There has been much talk in the last few days about the fake news and—whether it's right or wrong—the fake news they say got Trump elected in the United States. Whether or not that is true is debatable, but it is an issue.

You mention the higher-level management teams that you are cutting back on. Can you give us some idea: are you are cutting the source management team, who are critical to what you do?



Sara Beck: What do you mean by fake news?

Q86 **Jim Shannon:** I am talking about the stories that are put out there about certain people, which up their profile and make them more sellable when it comes to voting. That is the story in the United States, but that is the issue. There is a proliferation of fake news, either perceived or real.

Sara Beck: Indeed.

Jim Shannon: Okay, so if that is the case—

Sara Beck: There is indeed a proliferation of fake news at the moment. It has been highly relevant in the recent electoral campaign in the States. I think fake news is more an internet phenomenon than a source or satellite-downlink phenomenon. It is not influenced by the ability to downlink a satellite or access a TV channel, because generally, the fake news stories and the story around a fake news story is about how it is shared, how it gathers momentum and audience, which is essentially an internet story.

Monitoring is very strong on spotting and verifying these kinds of stories. Indeed, yesterday, if you were to look on our portal, we wrote a story about a part of the Shi'a holiday mass movement into Iraq. A Saudi-based newspaper had released a fake story and we wrote the whole background about that, the context and the details of that, as an insight piece. For me, fake news and the spotting, identifying and verification of fake news is a journalistic enterprise; it is not about how you access a source or a satellite channel. I would say that the efforts that we are making to improve the quality of our journalism across the board will benefit the kind of verification work that you are talking about.

In terms of source management, we are also putting a real emphasis on our sources within this new structure. We are losing—seeing as you asked—I think the team is going down by one post in the UK. But we are integrating the management of sources and our knowledge of sources and how we use them in all our pieces into a central team, which is actually saying: "Sources are very important; they are at the heart of what we do, and each and every piece that we have, we should be very clear about the sources that we are using." So we are trying to integrate it into a central team rather than having it as a separate team. That is a theme across all of the changes that we are making.

Q87 **Jim Shannon:** In the Defence Select Committee we have been very keen to ensure, with all the questions in the different inquiries that we do, that there is always a contingency fund set aside. Do you have a contingency fund in case Government may crack down or in case there is a proliferation or an increase of interest in some other part of the world? Do you have that rainy-day money to respond?

Sara Beck: We don't necessarily. We always carry a contingency element in our budgets but I wouldn't say that we have a contingency fund. I would rather talk about a contingency plan that we have. So we have a



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very clear idea of the steps that we would take, were we to come under unusual pressure in certain parts of the world. For example, all our international teams would have a plan about how they could, initially, work from home—how they could get signals access from home. For certain languages we have back-up in other parts of the world; so, for example, our Russian coverage is not solely dependent on our Moscow team—clearly, we have a Caversham team as well, but we also have Russian capacity in Kiev, in Tbilisi and in Tashkent. When we were deciding how we would implement the changes that we need to make to be able to match the savings targets that were delivered to us, we looked at exactly those issues. We looked at our international presence in broad terms to ensure that we had some contingency.

Q88 Mr Spellar: But given the emerging international scene, is it not extraordinary to be cutting back on your Russian team here in London? Particularly since, as you say, you have a number of local stations and therefore you are bringing information back to Caversham, in many cases, to evaluate that and put it into context. Is it not extraordinary to be cutting your Russian team at a time when events in Russia, and the policies and attitudes of Russia, are of crucial interest, not just in the UK but across Europe and the wider world?

Sara Beck: As I say, we had to make some difficult decisions. It is not an easy plan that we have in front of us. Can I ask what you mean by bringing information back to Caversham? Our teams in the field gather and file the information. There is not a flow of information from Moscow which then somehow comes in to Caversham and is turned into products or pieces; the teams in Moscow operate on the same terms as the Caversham team.

Q89 Mr Spellar: Okay, so obviously this will be quite disruptive for the staff there. How many staff do you employ at Caversham, roughly?

Sara Beck: Overall we have about 320 staff at the moment and Caversham is just under half of that.

Q90 Mr Spellar: And how many do you expect to have when you move to the BBC monitoring team in London?

Sara Beck: We are talking about 90 or 95 places that we will need to find. That will include the commercial team as well, the business development team. So there are the editorial teams and then there is a commercial team as well.

Q91 Mr Spellar: What assessment have you made of how many of those staff—who, given that Caversham has been there a very long time, will be based in that area—will actually be pleased or even willing to move to London?

Sara Beck: We have not done that piece of work yet. We have had to be very clear that we do not have a date for a move to central London, nor do we have an absolute destination. Until we have that, it would not be sensible to start talking about a process or to be discussing with the unions or with staff. We have shared a longer-term intention with staff so



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that they can use that as part of the decision-making process as to whether to be part of the new structure or not. I do not actually know yet. There have been informal conversations with some staff who have made their intentions clear, but we have not done a piece of work which has quantified interest of staff in moving to London.

I have to say that the staff that are keen to be part of the new structure are at least aware that the service is moving at some point in the future, so I take that as an indication of a possible intention to move. That may not be the case in the end, but we shared that information early so that people could make decisions on that basis. We have not done the next piece of work because we do not have the details of that process yet.

Q92 Mr Spellar: Given the quite specialist nature of the work that is undertaken at Caversham, the skill sets, the collective skills and the ethos there, are you not at risk of seriously undermining the operation, and indeed the value, of the product?

Sara Beck: I do not believe so, but I cannot know until we do that piece of work, as I just said.

Q93 Mr Spellar: Shouldn't that really have been the starting point rather than the ending point?

Francesca Unsworth: Many of them will want to live in that area anyway. Many of our staff who work at the BBC currently live in the Thames Valley, so we might not necessarily find that it is that big a deal for them.

Q94 Mr Spellar: Sorry, you said that many who—

Francesca Unsworth: There are many people who work in New Broadcasting House who commute on a daily basis from the Thames Valley.

Q95 Mr Spellar: Yes, but if you are working in Caversham, will you be out of pocket by moving to London? If so, what arrangements—

Francesca Unsworth: You will get London weighting.

Q96 Mr Spellar: Will that match up to the rail fares going in?

Sara Beck: Yes, it does, actually.

Francesca Unsworth: Of course, some of them live on this side anyway. It is not something that you can necessarily pin down until you look at every individual case.

Sara Beck: Like I say, it is a whole piece of work, and it is one that we have not embarked on yet, but when you begin to do a relocation with staff, those are the conversations that take place, and they are based on individual circumstances. It depends on where people live and what the commute would be to and from work. There is a BBC relocation policy, which we have said would apply in this instance, which compensates for



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changing travel fares and, as I said, London weighting as well. But those are all further down the line.

Q97 **Mr Spellar:** How much is the London weighting?

Sara Beck: London weighting is £4,500.

Francesca Unsworth: There is also an upside—

Q98 **Mr Spellar:** And that is taxable, is it?

Sara Beck: Yes.

Francesca Unsworth: Yes.

Q99 **Mr Spellar:** A season ticket from Reading is about £5,000.

Sara Beck: Like I said, there is a relocation policy that has conversations about travel costs as well, so there would be London weighting, and travel costs would be addressed for a certain period. But that is the same across the board for the BBC. That is not something particular to Caversham or Monitoring staff; it is BBC policy.

Francesca Unsworth: But there is an upside, too, which is that if this team come into New Broadcasting House, that opens up all sorts of opportunities for them. We have this great expansion of the Welsh-language services. Their language skill is obviously invaluable. There are career opportunities for people.

Sara Beck: I have to say, there is a mixed opinion among the teams, even in these early discussions. As Fran says, some of our team see themselves very much as journalists, and they want to be more closely aligned with their other journalistic colleagues in the rest of BBC News, so for them it is a positive mood for the relocation.

Q100 **Chair:** Are those the people who would probably be the most uncomfortable with doing open source monitoring and supplying it to Government Departments?

Sara Beck: I couldn't make that correlation. I don't know.

Q101 **Chair:** Okay. Are you aware that a straw poll was done by the National Union of Journalists of the staff who are NUJ members—the skilled specialists who do the bulk of the monitoring, as I understand it—and that it revealed that at least a third of them would quit rather than move to London?

Sara Beck: I wasn't aware of the poll, but then I wouldn't expect to be. I think it is worth remembering the stages of what we are facing. The first stage is the restructure, and whether people want to be part of the new structure and the new work that we are doing. That will leave a smaller team. If from that team there are then people who do not wish to move to New Broadcasting House, then we will be dealing with that number. It isn't correct to say that once we are through this restructure, we will be dealing



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with a third of our staff who do not want to go to Broadcasting House, central London or wherever it may be.

Q102 Chair: No, but it is certainly true to say that at the end of the process, one way or another—either as a result of the cuts, or because they do not want to move—at least 50% said that they would be willing to do it, one third said they would not and the other 20% were a bit undecided. So you are going to lose a third of your skill set at the end of the process. No doubt you will say, “We’ll replace them with others where there are gaps.”

Sara Beck: Well, it is possible to recruit new linguists, of course. But it is not just about existing expertise. The future of Monitoring, our relevance and our ability to manage a changing media environment depend on new skills as well. It is not just about sticking to what we already know and can do. What we will need in this organisation is people who are willing to take on new skills or already have them. Without the ability to manipulate digital information, at some point Monitoring will cease to be relevant.

Q103 Bob Stewart: Where did Caversham come from? How long has it been the BBC? What was it before? I know it was parkland from 1850 and it has a manor going back to the Conquest, but when did the BBC go in there?

Francesca Unsworth: I think it was during the second world war.

Bob Stewart: So in the second world war it was put in there specifically—

Francesca Unsworth: I think it was given to the BBC by some benefactor for the purposes of setting up BBC Monitoring.

Sara Beck: I think Monitoring was housed elsewhere.

Francesca Unsworth: Sorry, our history on this is a little bit—

Sara Beck: There are others who know the history more precisely.

Q104 Bob Stewart: The reason why it is quite murky, I would think, is it was linked to some of the clandestine operations around that area—the Special Operations Executive, for example. It is just a small point. So the BBC started taking over the place in the war.

Francesca Unsworth: Yes.

Q105 Bob Stewart: Who owns it?

Francesca Unsworth: The BBC think they own it.

Q106 Bob Stewart: They’ve got freehold? Because if it was given to them, there would be some conditions, normally.

Francesca Unsworth: My understanding is that the BBC own the freehold, yes.

Q107 Bob Stewart: So your understanding is that the place can be sold by the BBC if they wish.



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Francesca Unsworth: That is my understanding, yes.

Q108 **Bob Stewart:** So it was given with no strings attached.

Francesca Unsworth: Not as far as I am aware, but that is a matter for BBC Property, of course. Our issue is around, "Is this the building that we want to stay in for journalistic purposes or not?" The BBC's view of this is, can it be made use of as a wider building, which we have struggled to do.

Q109 **Bob Stewart:** What is the acreage?

Francesca Unsworth: I don't know, I am afraid.

Q110 **Bob Stewart:** Is it like a park? I haven't been there—others have been there.

Francesca Unsworth: Yes, it's like a park. I could describe it to you, but I couldn't—

Sara Beck: It is a big park.

Francesca Unsworth: It is a big park, with a lot of grounds around it.

Q111 **Bob Stewart:** Is it a mile long? Forgive me—others have been there; I haven't. But it is sort of a parkland. My daughter was at school near there, and I seem to remember that it seemed to me quite a nice location.

Sara Beck: It is a substantial parkland, yes.

Q112 **Bob Stewart:** So it is worth quite a lot of money.

Francesca Unsworth: I would imagine so.

Q113 **Bob Stewart:** Have you got any idea how much money it's worth?

Francesca Unsworth: No.

Q114 **Bob Stewart:** Because before decisions are made about moving, people should at least know how much money the BBC might get. If it was sold, would the BBC have the right to keep the proceeds of the sale?

Francesca Unsworth: I think that the BBC think they would have the right to keep the proceeds of the sale.

Q115 **Bob Stewart:** And redistribute it for other purposes of the BBC.

Francesca Unsworth: I think so, yes.

Q116 **Bob Stewart:** That would follow if it had freehold. That would follow if there were no strings attached. That was the purpose of my question, "Where did it come from?" Forgive me, but if you don't know, I suspect a lot of people don't know. Presumably lawyers are looking at this matter now to understand what the conditions of the gift were—assuming it was a gift. In my experience, a gift like that normally has strings attached, such as that you cannot use it for any other purpose, you cannot sell it, or that it must be used for education, or something. If that is the case and you don't know, and by chance that happens, it



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rather screws up any plans, doesn't it?

Francesca Unsworth: Well, it might screw up the BBC's wider plans, but it doesn't screw up our plans about what we want to do with Monitoring as an entity.

Q117 **Bob Stewart:** So the selling of the place is slightly separate.

Francesca Unsworth: Yes.

Sara Beck: It is a separate part of the process.

Bob Stewart: I will ask one more question and then shut up. What do you want to do?

Francesca Unsworth: As far as the move is concerned, I would very much like to bring the team into central London.

Q118 **Bob Stewart:** Why central London? Why can't you do it in Manchester or Rugby, which is the traditional place for monitoring? That aerial farm in the midlands would be a superb place, wouldn't it?

Francesca Unsworth: Well, because I think Monitoring is a fantastic resource for the World Service. It gives us a richness of content that can make a huge amount of difference to the quality of the products that we are able to supply to the world journalistically. Having that high degree of understanding about what the world's international media are saying can only enrich what we are delivering to the wider world.

Q119 **Bob Stewart:** Why does that mean you have to be colocated?

Francesca Unsworth: Because if you have those conversations—

Q120 **Bob Stewart:** The BBC has already sent so much of its operations north.

Francesca Unsworth: Because we want it to be a central resource. If it is largely a resource for the World Service—it is not entirely that, because domestic news uses it as well when the international agenda becomes the domestic agenda—the whole of the World Service, or the UK bit of it, is all based in New Broadcasting House. These things depend, to quite a large extent, on personal relationships and on developing understanding and trust between teams, so I think it would be much better if we could bring Monitoring, as a central resource on which the whole BBC could rest—

Q121 **Bob Stewart:** That sort of argument did not stop the BBC moving the majority of its operations to Salford, did it? I would argue—taking your point—that I personally would like the BBC to be in London because it is close to the centre of Government and it would feel that way. You are arguing that as well.

Francesca Unsworth: Most of what has gone to Salford are bespoke teams, such as Breakfast News and 5 Live. Sport has gone, of course, which is a central resource, but because it is a stand-alone entity, it works very well from there. Another reason why you would not want to move Monitoring out of where we are is that we have to recruit people. We have



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to recruit people with language skills and I think that would be harder if we were to place Monitoring out of reach of London, to be honest. If it went to Birmingham or Salford, I think we would find it harder to recruit the full range of people who speak the languages that we currently deploy.

Bob Stewart: I am slightly with you on this—although I am arguing against you—because I think London is the epicentre of broadcasting and I don't like the fact it has been dissipated elsewhere. At the same time—I will shut up now. If the Chairman tells me to shut up, I shut up. I think I have said enough.

Q122 **Chair:** Just two quick points. Am I right in thinking that Caversham was not originally given to the BBC but to the Government, and that it was purchased by the BBC only in recent years when changes were made and the BBC was not funded any longer by Foreign Office or Cabinet Office grants, and that the Government gave the BBC the money with which to buy it? Is that right?

Sara Beck: It really is the case that the lawyers and BBC Workplace, who handle property, know better than I do, but my understanding is that when Monitoring came into the licence fee, the assets and liabilities came with it.

Q123 **Chair:** Yes, but I would expect you to know the basic fact that the Government had given you a slug of money to buy Caversham Park when you took it over into the licence fee to run the operation.

Sara Beck: I am afraid I don't know offhand—

Chair: Sorry?

Francesca Unsworth: We can get back to you on this but my understanding is slightly different. When the BBC took over, it was not when it came into the licence fee; I think the BBC has owned Caversham Park for longer than since 2013, when Monitoring came into the licence fee.

Q124 **Chair:** Nevertheless, it was purchased with a grant from the Government, was it not?

Francesca Unsworth: I think so.

Q125 **Chair:** So you would expect that if it were being disposed of and if the service were being run down or reduced, the Government would have a claim on at least some of the money.

Francesca Unsworth: Well, that is one for the lawyers, isn't it?

Q126 **Chair:** Okay, then. My other point—as you know, we get information coming in, including from people who work at Caversham, as you might have deduced from the detail of some of the questions that have been put to you now and on previous occasions, and as you probably know, there is considerable concern that the remnants of the service would be very difficult to fit into New Broadcasting House.

In fact, there was a National Audit Office Report in 2014, which we have



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here, that cites “Broadcasting House and adjacent buildings”, and it says, “Spare capacity: 0”. That does rather suggest that, whatever you put into New Broadcasting House or its adjacent buildings, it is going to be something with a much smaller footprint than the dedicated operation that we were pleased to visit a few weeks ago at Caversham Park.

Francesca Unsworth: The situation that New Broadcasting House finds itself in at the moment has changed since that NAO Report, of course, because BBC Studios has been set up and has vacated two floors of New Broadcasting House.

Q127 **Chair:** So is there a possibility that the whole operation might be given two floors in New Broadcasting House?

Francesca Unsworth: No. That’s not possible because, of course, we have to find space for the new jobs coming in under the World Service expansion.

Q128 **Chair:** It sounds as if it will be a bit of a tight squeeze, doesn’t it?

Francesca Unsworth: Well, it might well be a tight squeeze, yes, although New Broadcasting House was actually built for 6,000. At the moment it is only occupied by, I think, 4,500. We think we can fit everybody in.

Chair: There seems to have been a mass emptying out in the last couple of years.

Sara Beck: There is one additional point to consider. In all the discussions about how the Monitoring team might move into central London, we are talking about the team together as one team. While it might not cover two floors—in fact, it wouldn’t—we are talking about moving the team together, so that Monitoring as a service exists.

Q129 **Chair:** Have you any rough idea of what sort of surface area it would cover?

Francesca Unsworth: No, not at this stage. To make a broader point, the BBC’s savings target of £800 million, as a result of taking on the over-75s licence, means that a principal part of what they are doing in order to achieve that target is consolidated around property, in order to cut the costs of looking after too many properties all over the country.

Q130 **Jack Lopresti:** Going back to the logistics and practicalities that Bob touched upon, I understand that, at the moment, you receive your signals from satellite feed antennas in nearby Crowsley Park. How would you receive information via that medium if you were to move, and what is the plan for Crowsley Park itself if it is no longer being used by yourselves?

Sara Beck: If we’re talking about New Broadcasting House, or any central London location, on the current usage we know that we could access about 80% of our required signals in that building. New Broadcasting House is probably one of the best-connected buildings in London anyway, on the existing satellite provision for that building. The outstanding 20% could be



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provided via other BBC locations or facilities. The presence of satellite dishes in Caversham Park is sometimes overwhelming, as you saw in that film, but were you to recreate Monitoring in a new location, that same number of dishes would not be required anymore anyway. It is a cumulative presence of satellite dishes.

Q131 **Jack Lopresti:** So you would still have the same capacity? There would be no loss of capacity?

Sara Beck: There is no concern about capacity in the new building.

Q132 **Jack Lopresti:** And no additional budgetary requirement if you were to have to recreate the facility elsewhere? You could just tap into what you have?

Francesca Unsworth: I think the assessment that BBC Technology has done is that, at the moment, 80% of the satellite capacity that BBC Monitoring would require could be found in London. We have enough satellite capacity. The other 20% would be found elsewhere around the UK.

Q133 **Jack Lopresti:** How would that impact on Crowsley Park?

Francesca Unsworth: We haven't actually said anything about what we're doing with Crowsley Park. Again, that is a matter for BBC Property, but I imagine that would become a vacant site, too.

Jack Lopresti: Sure, if you own it and if you can dispose of it, as my colleague said with regards to Caversham Park, I guess.

Q134 **Phil Wilson:** Are you expecting Monitoring to have a further programme of upgrades to technology in the near future? If so, what would that consist of and what cost implications will there be?

Francesca Unsworth: We have obviously just had this change programme—we are going through it at the moment and haven't quite come to the end yet—of which technology is a big part. We do not foresee that we are going to need to spend any more money on technology in the immediate future, but of course that is also the advantage of coming into central London: BBC Monitoring would benefit from any of the technology upgrades taking place in New Broadcasting House as part and parcel of their accommodation there.

Q135 **Phil Wilson:** If you are not going to use these satellite dishes and if you're going to have to, for example, stream the signal through the internet, is that going to be as good as or better than what we have now?

Francesca Unsworth: There are satellite dishes. Broadcasting House uses satellite dishes anyway.

Q136 **Phil Wilson:** Okay. So you will be able to use both the internet and satellite dishes—you won't have to be reliant on just the internet. Do you use the internet at Caversham Park now?

Sara Beck: *indicated assent.*



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Q137 Chair: Let's come back to where we started: the national security role of all this. We are obviously concerned about that aspect because of the work we do and the work that BBC Monitoring has traditionally done. Would it not be possible to come to the conclusion that because of this national security role, which led to the setting up of BBC Monitoring in the first place, and because of the obvious level of discomfort that some parts of the BBC have with the idea that they produce a product, albeit one that is entirely open source and not in any way based on secret information, for Government agencies and Departments, it would perhaps be sensible if the Government themselves simply took back control of this, paid for it, re-established the situation for their own services, and set up something called the open source information agency, thus liberating the BBC from this whole area of supplying open source information to the Ministry of Defence, the Foreign and Commonwealth Office, the Cabinet Office and the intelligence agencies? Wouldn't that solve a lot of problems for you?

Francesca Unsworth: Well, as I have said to you before when we have met, if the Government wanted to fund Monitoring, that would make the BBC very happy because it would give them an extra several million pounds that could then be spent on something else. Having said that, I am not sure that the arrangements you just outlined would actually suit the BBC, because it would then become a Government body, by the sound of what you described—

Chair: No, I am talking about the BBC—

Francesca Unsworth: Just reverting to the former arrangements.

Q138 Chair: No, I'm talking about the Government setting up an entirely separate Government agency and taking back these resources from the BBC. You have already said, for example, that the people who are more likely to be keen on moving to London are the ones who are more interested in the digital journalism role and the wider aspects that you say are of interest to the BBC more generally, so what about the question—

Francesca Unsworth: Well, actually it is the customers that are interested in that, too. The Government agencies are just as interested in the digital role that Monitoring has to play as the BBC are. The problem with what you have described is that I cannot see how the World Service or the licence payer would benefit, because they wouldn't have access. To be honest, it would make the BBC poorer if it didn't have access to all this material.

Q139 Chair: Well, I am sure the BBC could come to an arrangement with an independent agency to have access to its feed. What I am trying to get at is that running through the whole atmosphere of this inquiry has been the fact that certainly some parts of the BBC are very nervous indeed about the work that BBC Monitoring does for Government Departments and agencies. Indeed, there was concern, and even a bit of debate, about whether we should rescreen that *Newsnight* film, for



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reasons of that sort. Wouldn't it solve a lot of your problems if the work that was described in the film as "the sort of work that some might regard as inappropriate for the BBC to do" was simply hived off and done by a Government agency, free-standing and separate from the BBC?

Francesca Unsworth: You say "anxiety within the BBC," and Owen Bennett-Jones was clearly anxious in that film, but I am not sure who else has been—

Q140 **Chair:** Well, that is the BBC's flagship daily political programme.

Francesca Unsworth: That was a piece of journalism.

Q141 **Chair:** Yes, but it was approved by his editorial chain of command. It was 15 minutes' worth of *Newsnight*. It wasn't just one rogue reporter taking these rather quirky views, was it?

Francesca Unsworth: Owen highlighted issues that it is important for us to address, such as the information not being as widely available to absolutely everybody as it should have been. As a result, we subsequently tidied that up. That was an issue of Monitoring being saddled with this commercial objective, and it took a while for it to find its feet on how to mesh that with open sources.

Q142 **Chair:** You can understand that if, for example, the intelligence agencies want to know particular things from open source information, they might well send memorandums to BBC Monitoring saying, "Can you look particularly for this, this, and this." Equally, you can understand that they wouldn't wish those sorts of communications from them to BBC Monitoring to be freely available, because it would give insights into their particular areas of interest. That was the sort of thing that *Newsnight* was saying is absolutely unacceptable—that there should be correspondence of that nature that not everyone in the BBC could see.

Do you accept that there is a problem with such work that certain elements—and, it seems to me, significant elements—within the BBC find difficult to accept?

Francesca Unsworth: I think that was a problem, and we have addressed it. I don't think it is a problem anymore.

Q143 **Chair:** Well, you have addressed it in that you are apparently dealing with a lot of the problems raised in that programme. At the end of this process, there won't be much left of the way in which Monitoring used to function. In particular, you have physically separated out the American collocation with yourselves at Caversham Park. My understanding is that BBC Monitoring cover 25% of the globe, that the Americans cover 75% and that you have an advantageous sharing arrangement with them.

Francesca Unsworth: Which will continue.

Q144 **Chair:** And you are sure that will continue?

Francesca Unsworth: Yes.

Q145 **Chair:** And there won't be any downside to the fact that in future you will be physically completely separate?

Francesca Unsworth: No.

Q146 **Chair:** Even though the American operation might end up inside, for example, an MoD establishment?

Sara Beck: If I may refer to the visit you made to Caversham Park and the members of staff to whom you spoke, I think all of them reinforced the fact that they do not see any problem with our being in different locations from the OSE. Indeed, most of the time we are working with OSE teams that are in other parts of the world any way. The contact at Caversham Park is limited, and we are dealing with OSE around the world on a daily basis. Whether we are located in the same office in the UK is actually less significant. We have talked about this with the directorship of the OSE, and we both understand the situation that we are in. We have made undertakings to ensure that we work as closely as we can through the relocation. Personally, I don't see a problem with that.

I don't think it is correct to infer a BBC management position from a single piece of journalism that was broadcast on *Newsnight*. I don't think there is a BBC management problem with what Monitoring does.

Q147 **Chair:** We were told, for example, that during the Sochi Olympics there were daily meetings between the Russia team and the Americans in the same building. That sort of thing wouldn't be possible in separate locations, would it?

Sara Beck: No, but it would be possible down a VC line, which is what we do on a daily basis with all our other teams.

Q148 **Chair:** We are coming to the end. Can I just ask you about the Video Unit? It has had quite some coups to its name. It has spotted various things of military significance, and it has fed them to the appropriate Government Departments, yet the Video Unit is going to be closed down. Again, this seems to be all of a piece with the move away from the national security role of BBC Monitoring, which is the role that concerns us on this Committee, and the movement towards what you prefer to call digital journalism, rather than the surveying and monitoring of different forms of broadcast or, indeed, social media. Why is the Video Unit in particular being closed down?

Sara Beck: I have already said that we had to make some difficult decisions and, of course, it is difficult to close any team. The Video Unit, as a distinct team working almost solely to one Government Department, is closing down, but that does not mean that Monitoring across the board will stop doing video content, nor will we stop providing video for the MoD. What we are doing instead is integrating the scanning for video into the duties of all the teams. That gives us a broader scope to gather and collect material. We are still working through the details of how we will link with the MoD and provide the video to them, and in what kind of product and



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at what kind of frequency. We are working through the detail of it at the moment. It is correct to say that a distinct team will no longer exist, but it is not that Monitoring is going to stop doing any video gathering because, of course, it is part of the work that we need to do.

Q149 Chair: So you are moving from a dedicated specialist team to a general requirement that all teams should look out for this sort of material.

Sara Beck: Yes, because that dedicated team was only working to one user.

Q150 Chair: Which was the Ministry of Defence.

Sara Beck: Yes, but it might not be the most efficient way to organise the resources we have.

Q151 Chair: It seems to have done pretty well in the past, hasn't it?

Sara Beck: I am not saying that it has not been successful. I am saying that it is not the most efficient way to organise ourselves with limited resources.

Q152 Chair: And for example on our visit, we were shown pictures by the Russia team about how they spotted the Kalibr missile that came down in Iran, for example. This is highly specialised work.

Sara Beck: And that would continue.

Q153 Chair: And you are absolutely certain that would not suffer in any way?

Sara Beck: That work will continue because that's the structure—

Q154 Chair: Even with the reduced Russia team?

Sara Beck: With the team that will remain, we will still be pointing our specialists at that kind of work. We are asking the teams to do exactly the same kind of work that they have always done, and that is where the specialisms of some of the Russian teams and some of the Middle East teams lie. That will not change, but we are trying to organise the service more efficiently and have teams that are not just focused on one task in one area, to give them a broader skill set.

Q155 Chair: But even if you keep a certain number of posts, which you will, you are potentially losing, because of the move to London, at least one third of the individuals, who have indicated that they will not move. Even if you fill those posts with other individuals, there is a shift going on away from traditional monitoring for Government work, and towards digital journalism and an output for general consumption by general clients, which might include Government Departments. That is the thrust of where you are going, isn't it?

Sara Beck: Well, I wouldn't make a distinction between working with digital material on digital platforms, and monitoring, because that is the reality of what we do now. People are no longer sitting and listening to radio broadcasts on headphones in quiet rooms. They are scanning digital and social media as well as some of the traditional media. I do not think it



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is fair to make them two distinct tasks. What I am actually saying is that we are bringing the two together. The core values of Monitoring—giving timely, accurate reports with context and clear sourcing—will remain the building block of what we do.

Q156 **Chair:** Okay. We are coming to a close, but I would just like to ask one other question. With regard to the skills required, a lot of the skill involves not just being able to look at traditional media, as you say, but looking at new media. But is not the real skill knowing what to look for and what is relevant?

Sara Beck: Yes it is.

Francesca Unsworth: Absolutely.

Q157 **Chair:** Hasn't there been a certain shift towards stories of what might be called popular interest? *[Interruption.]* We are saved by the bell, or almost. When we went visited, the Russia team—we spent a bit of time with them, which is why I am giving these examples—were working on a story about Steven Seagal getting Russian citizenship. If they are spending their time on stories of that sort, by definition a reduced team cannot be spending the same amount of time on serious political monitoring that might be of use to Government Departments, can they?

Sara Beck: I think we discussed this point in the previous Committee sitting and the answer would be the same. There are some strands of the work to which Monitoring contributes that might include a piece about Steven Seagal. But if you look at the front page of our portal—our shop window, if you like—today's stories are about the Chinese media reaction to the TPP talks, Ukraine abducting Russian troops, the Yemen truce and an analysis piece about the Russian weekly programme, *Vesti Nedeli*. I do think that there is still capacity for us to carry on doing that kind of work.

Chair: Thank you very much indeed. The sitting is suspended for the moment.

Sitting suspended for a Division in the House.

On resuming—

Examination of witnesses

Witnesses: Sir Alan Duncan and Robert Deane gave evidence.

Q158 **Chair:** May I ask our two panellists, as it were, to introduce themselves for the record?

Sir Alan Duncan: I am Alan Duncan, Minister of State at the Foreign Office. On my right is Robert Deane, who is head of the knowledge and technology directorate in the Foreign Office.

Q159 **Chair:** Thank you very much for coming today. May I particularly thank you, Sir Alan, for agreeing to do this? We had some difficulty finding out who the right Minister to approach was. There was a certain reluctance



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to step up to the plate. Can you tell us first a little bit about why it is you, rather than the Cabinet Office, who have come here today?

Sir Alan Duncan: Not easily. I eventually agreed to do this. There have, of course, been two parallel reports: the Foreign Affairs Committee has already reported, and you are doing yours, I imagine from a slightly different angle. The responsibility for BBC Monitoring, in theory, rests within the Foreign Office, but the negotiation of the contract with the BBC rests with the Cabinet Office, as does any relationship with the intelligence agencies. There is no straightforward, direct, easily identifiable of ministerial accountability, but I was very happy to oblige and will do my best this afternoon to answer your questions, assisted by Robert as required.

Q160 **Chair:** For decades, the work that BBC Monitoring did was quite straightforward. The Government paid for it. The BBC facilitated it, and there was no doubt about what happened. BBC Monitoring services would select interesting material from foreign broadcasts and supply it to Government Departments and to the intelligence agencies. But a few years ago, a decision was taken—I think it was a Cabinet Office decision, but I may be wrong about that; perhaps you will enlighten me—that the full funding should be transferred to the BBC and paid for by the licence payer. That has led to features such as the *Newsnight* report, which I believe you have had a chance to look at.

Sir Alan Duncan: I have, yes.

Q161 **Chair:** We want to explore in this session the wisdom of the present relationship, whether the traditional role of BBC Monitoring to supply relevant information to Government Departments and agencies is under threat and whether in fact the time has come to make a different arrangement altogether for how the service might be safeguarded for the future. Can you start by explaining why you consider the BBC Monitoring service to be in the national interest and what use it specifically is to the Government Departments and agencies that benefit from its product?

Sir Alan Duncan: Yes. All information is of value. We secure such information through our diplomatic network, with people talking to people, and embassies abroad, with an extensive network, learning about what is going on in their host country. And of course we have our intelligence services. It is very important to realise there is a massive amount of data openly available through open networks. In the past, originally with a crystal set listening in foreign countries, one would try to find out what was going on, gather it, collate it and present it in a useful form. That volume of data has dramatically increased, and of course the technology for gleaning it or securing it has dramatically increased as well.

Open source information is of enormous value and can be accessible from all over the world to all over the world. BBC Monitoring, with their massive skillset and their global reach, is of great value to an understanding of lots of issues in Government. Therefore we think it is of value and remains so—perhaps more so, given that the volume of data and the ease of



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access in many ways has dramatically increased with technology over the last few years.

Q162 Chair: Quite a lot of this information comes from people who are in various countries where there may be political turmoil. Some people take the view that there has become a great deal of dependence on people in vulnerable positions who might, if the host Governments took against them, feel constrained in what they could do. Do you feel therefore it is particularly important that the monitoring and listening operations that go on in Britain must be maintained at a level where, if pressure were put on local people in any particular country, the flow of relevant open source information would not be undermined?

Sir Alan Duncan: This is not espionage. This is open source information, and therefore people in any country may be far less vulnerable than I think your question suggests, by virtue of the fact that it is open source and anyone is entitled to listen to it or watch it. The risk to personnel in foreign countries in the way you put your question is probably not as serious as you imply. But given that you can source information from the other side of the world from sitting in Caversham, Broadcasting House or anything else, of course you need a facility in the UK. That may be the best and easiest place to have it because that is where you can also collate and disseminate it. The point about being in a vulnerable country does not matter as much for open source information as it would for other sorts of activity.

Q163 Chair: By taking away the Government grant, there was always the danger—it must be said that certain individuals such as Lord Menzies Campbell and myself, when this was done and we were serving on the Intelligence and Security Committee, said that this would happen—that every time the BBC took a round of cuts, the monitoring services would also take cuts. And by gum, they have taken cuts. They have taken successive cuts—often disproportionately heavy ones—and now they are going to break up the Caversham centre, as it were, and lose a considerable number of people to the cuts, and a considerable number of people who do not want to move to central London. Is there not a real danger that the expertise base on which Government Departments and intelligence agencies rely for what, as you rightly say, is absolutely open information—not spying of any sort—will be reduced?

Sir Alan Duncan: Not necessarily. First, I do not think that the skill set you are describing relies on a physical building such as Caversham. Indeed, it could benefit from being in a different, more modern, building that is proximate to, or part of, the BBC and a wider media culture from which they can themselves derive benefits and share information. On the funding issue, if it is not too heretical for me, as a Minister, to say this, I would suggest that given the licence fee agreement, which, under the charter, is set for a number of years—now, under discussions, there is a new contract being set for BBC Monitoring—it may well be that the level of financial security is greater under that structure than under some kind of central funding. I see you wince and squint, but do not forget that other issues can be subject to political cuts; here we have it absolutely locked in



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by contract. Although there has been a reduction of a couple of million at the moment—we can perhaps go into discussing whether that is appropriate or damaging in a minute—there is a strong measure of continuity and security in the funding, given that it has moved into the BBC under the charter licence agreement.

Q164 Chair: But surely the problem you have is that although £13 million a year operating costs and £20 million-plus overall costs a year is a relatively small amount for Government, particularly if you divide it among at least three or four intelligence agencies and at least three Government Departments—it is a few million each—you are in danger of ending up with a much reduced service. Moreover, as you saw in that broadcast, the parts that matter to your Department, to the Ministry of Defence and to the intelligence bodies are evidently regarded by a significant strand of opinion in the BBC as being inappropriate work for the BBC to do, particularly when it is funded by the taxpayer—the licence payer.

Sir Alan Duncan: I have to say that I found that broadcast wholly unconvincing. Nor do I accept your thesis that there are people in the BBC, for instance, who do not like doing this sort of work because it might be connected to intelligence work. This is open source material. They are not being asked to do clandestine things; it is open source. Indeed, some of the resources that you are describing can be topped up by what one might describe as “the customer base”, which could be an intelligence agency, and therefore that information will go to the customer. It has been suggested that it is inappropriate that people do not see absolutely everything. There is an element of this work—Robert can perhaps confirm this, and we might go into the contract in a moment—where the money you are describing can be supplemented by additional payments to get additional information, perhaps to commission greater focus on a country where, let’s say, we think there might be the risk of political upheaval, economic collapse or something like that.

Q165 Chair: Are you saying that the new arrangements will allow Government Departments and agencies to approach BBC Monitoring and say, “We will pay you x amount of money if you will do a special monitoring operation in this particular area”?

Sir Alan Duncan: That’s exactly my understanding, but let me seek clarity and confirmation on that, if I may, from Robert.

Robert Deane: Yes, that is the case. The Cabinet Office is negotiating a new agreement with BBC Monitoring on our behalf that will start in January and cover the rest of the charter period. Within that new agreement, there are clear criteria—KPIs, if you like—set out for the core services that BBC Monitoring provide to Government. Those core services are specified in a much greater level of granular detail than they were under the previous agreement. We are quite satisfied collectively that the core service will not deteriorate under the new arrangements and in fact will improve, in part because of the capital investment that BBC Monitoring is making.



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In addition to those core services, the agreement allows any of the Government customers concerned to commission extra work from BBC Monitoring for an extra cost.

Sir Alan Duncan: If I might add, Chair, the sort of specific criteria that are likely to be contained in the contract will include a prioritisation of the countries on which they should be focused and the definition of the sort of outputs that would be expected for each priority and the level of priority. This is a contract that will have quite serious and detailed performance obligations in it.

Q166 **Chair:** However, we took evidence earlier, as did the Foreign Affairs Committee, that it is quite clear that the BBC's attitude is that if they get paid to do certain work—if the Government funds things—the Government will get a greater say, and if the Government don't fund things, they won't. You are saying that when it comes to the material that you regard as most important for the workings of Government Departments, you will be commissioning and paying for extra services.

Sir Alan Duncan: There can be commissioning and paying for extra services. As this is a service primarily to Government, the contract with the BBC for BBC Monitoring will specify what needs to be delivered for the use of Government. In that sense, there is, if you like, a performance obligation that serves the interests of Government.

Robert Deane: If I may just add, Minister, the Cabinet Office chairs a working group of representatives of the key customer agencies and Departments to look at the priority countries that we give to the BBC Monitoring service. That list of priority countries is set out in an annex to the agreement. It has not changed from the previous annex, in the sense of listing the priorities. The agreement specifies very clearly the levels and quantity of material that we would expect to receive under that agreement.

Sir Alan Duncan: And there will be an annual process of review that will allow for the reallocation or adjustment of priorities and focus, to make sure that the delivery is absolutely up to the highest standard.

Q167 **Chair:** Finally from me, before I hand over to Jack: given that you have this potential arrangement that you are building in, why don't you make a modest additional grant to the Monitoring service now, so that it does not have to make the cuts, which they admit they are making, as a result of simply sharing in the pain of the cuts that the BBC as a whole is making?

Sir Alan Duncan: I am not involved in this process, so I am not equipped to give you a detailed answer on that, beyond saying that the briefing I have received suggests that the cuts are not having the detrimental effect that you believe they do. We will be slightly at loggerheads on this, in terms of what you understand will be the consequences and what I am told will be the consequences, and that is no doubt what your Committee will focus its conclusions on.



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Q168 Jack Lopresti: Looking at the strategic vision, the current scheme “requires BBC Monitoring to provide services which demonstrate global coverage, are timely and sufficient in volume, ‘surgeable’, flexible and confidential.” Are any of those things likely to be dispensed with under any new scheme?

Robert Deane: No is the short answer. The “timely and sufficient”, as you might imagine, is a fairly vague performance indicator. In the new agreement, there is much greater detail. We expect certain numbers of reports on certain priority issues, and those numbers are such that we would expect an improvement in the supply of material, not a deterioration. The balance of material we would expect from BBC Monitoring does shift slightly. Under the new agreement, we’re expecting a greater supply of raw material, and perhaps a smaller amount of analysed material, but for that analysed material that we receive from BBC Monitoring to be more closely targeted on the areas of interest to ourselves.

Q169 Jack Lopresti: Would it be fair to say that it will be a lot more tangible and much easier for BBC Monitoring to justify a value-for-money ethos by being able to identify more clearly what it actually does?

Robert Deane: I certainly hope so. We are interested, of course, in the outputs. How the BBC supplies that service is a matter for the BBC, but we are satisfied, and the Cabinet Office-chaired process which represents all the six departments and agencies concerned are satisfied, that under the new agreement, the service will either stay the same or get better in some way, particularly as a result of the new technology—this new portal that BBC Monitoring is putting in place, which will give desk officers much greater and quicker access to their material.

Q170 Phil Wilson: We have been told that BBC Monitoring is key to indicators and warnings, as it covers areas of the globe that the Government are not actively watching. Do you agree with that, and are you confident that it will continue to be true under the new scheme?

Sir Alan Duncan: First, BBC Monitoring is designed to be a universal service. It is not designed to fill in the gaps where there may be a failure of intelligence coverage. They are totally separate, and obviously we would not divulge anything to do with such intelligence coverage. It is designed to be universal, but of course it can, I suppose, be additionally helpful where we have less diplomatic coverage in a big country with a few people, where open source electronic information can be of significant value. Where you have a smaller human resource, this resource can be a very useful supplement.

Q171 Phil Wilson: You are confident that it will be able to continue to provide the service it has been providing up to now.

Sir Alan Duncan: Yes, definitely. Of course, as the Committee knows, this is done with the Americans, through their Open Source Enterprise, so between us, we divvy up the world and try to make sure there are no



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blank spots, and that we cover the open source material in a universal and professional way.

Q172 Phil Wilson: Do you not think that the closure of the video unit will impact the Ministry of Defence's knowledge and understanding?

Sir Alan Duncan: No; I have looked into this as best I can, because anything that suggests a diminution of the effectiveness of the coverage should prompt concern for all of us—and for me as a Minister in the Foreign Office in particular. The answer is that I do not think so, because I think this is, basically, technology. The iPhone is a lot of video coverage now, and that can be done by people on the spot. We can go into YouTube, for instance, where a lot of openly filmed data or footage is logged. That gives BBC Monitoring a massive source. Having a dedicated video unit, I suggest, is a rather old-fashioned way of looking at this requirement in the digital age. In the end, I decided that this did not worry me, but if you would like to add to that, Robert, and say what the thinking is, please do.

Robert Deane: That is certainly correct. You are obviously aware that the main customer for the video unit was the MoD. The MoD is represented at two-star level on the Cabinet Office-chaired open source steering group. That group reviewed the new agreement, and the MoD and everyone else on that group is content that the new agreement safeguards their interests, including the supply of video material.

Q173 Phil Wilson: The other issue is that the BBC seems to be cutting its source management team as well. We have heard a lot recently, especially after the US election, about fake news. Do you think it is a wise decision to cut the source management team when fake news seems to be proliferating at the moment?

Sir Alan Duncan: In itself it is of interest, because it is open source. In a way, if I understand what fake news is, it is interesting to know. I think that management levels are up to the BBC and are not, in themselves, crucial to the standards we are trying to retain. I do not think we need be concerned, along the lines of the question you have just put, unless I have missed anything.

Robert Deane: No, I do not think so. It is a matter for the BBC, how it manages the process.

Q174 Phil Wilson: I want to move on to Caversham Park. Who owns it?

Sir Alan Duncan: Again, it is not exactly my field, but I have asked for a briefing. The BBC believe they own it, but let me make something from my own experience clear. As I understand it, it was requisitioned in the war. I have personal experience of an RAF base and an Army base in my constituency that were requisitioned. The requisition included clauses saying things like, "It must be returned to the previous owner in the state in which it was requisitioned," and then you have ordnance, architectural and listing—all sorts of issues that have developed over the decades. Legal ownership can become a very complicated issue; it is not just a



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straightforward matter of who is holding the deeds of ownership. As I understand it, the lawyers are looking very carefully into not only the question of ownership, but the question of legacy obligation, which I imagine—I am just speculating here—may be an important part of the question of not only who owns it, but who faces obligations to do with the land, the building and everything that follows from it.

Q175 Phil Wilson: So at the moment you cannot say whether, if the BBC does sell it, the proceeds would go to the BBC or end up with the Government.

Sir Alan Duncan: I can't tell you that, in all truth. All I can say is that from my experience I would advise you to expect it to be a bit more complicated.

Q176 Chair: Do you see why we are suspicious about what is proposed now? What happens is that for decades the Government pays for a special service and gets a special product; then, a decision is taken in the early years of the coalition Government, which people warn about at the time and say, "If you stop paying for this service and transfer it to the licence fee payer, this service is going to be cut, and you are going to lose your leverage on the important work the service was originally set up to do," which was to supply open source information to Government Departments and agencies.

Within around a year of that changeover, the BBC's flagship programme broadcasts a 15-minute, sustained attack on those very parts of the activities that this service does for the Government, saying that it is inappropriate, and that it is even more inappropriate for the BBC to do now that it is the licence fee payer who is paying for it and not the Government. Then, after the promise is made that this will all be looked at in the next review, we get an arrangement that so alarms some staff members that they contact people in public life, such as me, saying that they are desperately concerned that their organisation is going to be broken up and reduced to sitting in some odd corners of an already over-full New Broadcasting House. Do you not see why one doesn't have to be a swivel-eyed conspiracy theorist, to coin a phrase from another context, to wonder whether something is going on here?

Sir Alan Duncan: I think it is always wise to be suspicious. If you want to protect something of value, that is the good, precautionary path to tread, so why not? That is what inquiries are all about. I do not share the suspicion or apocalyptic vision you painted. I watched the "Newsnight" programme—call it a flagship programme if you wish—and I didn't find it wholly convincing. I think that what matters is whether we can be comfortable enough that the quality, reach and output of BBC Monitoring will be maintained.

From my conversations with the BBC, I do not wholly agree that your portrait of their concerns is as you put it. There is potentially a significant advantage to those who work in BBC Monitoring being part of the broader BBC stable, for career paths and, if you like, the community of media experience, which is a fast-moving, fast-learning modern sector. To be in



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the country, in a separate building, may not be nearly as fertile a base as being in New Broadcasting House, with the broader apparatus of the BBC. Theoretically, let alone in any other way, there is an argument on both sides of this, and I have found myself pretty well convinced by the argument that they can do perfectly well, and perhaps even better, within the BBC, rather than in Caversham.

Q177 Chair: It is sometimes suggested that a new form of operation is required because of the new media. However, isn't it the case that—as some people with experience of this work say—people who have been doing the monitoring of broadcasts are just as capable, given international connectivity, of doing dedicated monitoring of the new platforms as well—you brandished your iPhone, for example—and that the real skill lies in knowing what to look for, in deciding what to select and in determining how to interpret it?

We have heard from the BBC in the earlier session—when you weren't here, Minister—that of the people who are for or against moving to London, the ones who are more in favour of moving to London are the ones who are more oriented to the new approach for the newer media. I hope I'm not misinterpreting the evidence that we had earlier.

We understand from sources at Caversham that the NUJ took a straw poll, asking their members there, who are the ones with this specialised experience, how many of them would definitely not move to London, and at least one third said they would not. So we'll be losing those people.

Now, of course, some of that may be taken up by the cuts that were going to be made anyway in the size of the team, and if they are not then gaps can obviously be filled. But when we are dealing with an organisation that is so specialised and offers such a specific and dedicated service, surely losing at least one third of the specialists is a cause for concern, not to mention losing the collocation with the Americans that is currently enjoyed at Caversham, which was highlighted by the programme and which now—funnily enough—is going to be no more?

Sir Alan Duncan: Yes; any move will involve disruption of that sort, which may or may not come at a price in terms of the performance of the organisation. In terms of the sort of media skills that are required, I don't think I'm in a position to judge this—I've not been to Caversham—but certainly those who are negotiating the contract and talking to BBC Monitoring believe that the quality and the output would be retained. But it may be that we turn again to the Cabinet Office discussions if there's anything to add.

Robert Deane: Just to add that a large part of the journalists working for BBC Monitoring and providing the source material are, of course, based overseas, so they're not affected directly by this move from Caversham.

Q178 Chair: Yes, but suppose, for example, that the Russians chose to retaliate in some low-level way to the recent freezing of the bank account of Russia Today by putting some sort of pressure on the people



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based in Russia. Would not the work of the central dedicated team become disproportionately more important? That could happen, couldn't it?

Robert Deane: I suspect that BBC journalists working in BBC Monitoring in Moscow are probably less vulnerable to that sort of activity than diplomats would be, for example, so perhaps the risk isn't quite so great.

Q179 **Chair:** Let me just challenge that. It's a fairly obvious situation; Russia Today is seen as a sort of arm of the Russian Government. Now, BBC Monitoring isn't an arm of the British Government, but it does work for the British Government, and I would have thought that it would be a fairly significant risk that some sort of move might be made to cramp their ability to operate.

Robert Deane: They work for the BBC, not directly for the British Government—

Chair: Of course. That's right.

Robert Deane: So they are one stage removed from ourselves.

Q180 **Chair:** Yes, but—I'm sure they would. Well, can I say that it was suggested to me by somebody in the system, shall we say, that they would regard it as quite probable that some sort of retaliation of a low-level nature might be taken against their staff.

Sir Alan Duncan: But I think there is always that risk of diplomatic tit for tat if there is a dispute in any sector, be it the business sector, the oil sector, the military sector or diplomatic missions. So I don't think that this, in a way, adds to your argument—

Q181 **Chair:** I am sorry to interrupt, but my only argument is that precisely because there is that risk, it is all the more important that we do not become over-dependent upon people who are stationed abroad and who might be subject to pressure, or who might even self-censor themselves because they feared they might be subject to pressure. That is why the concern about the break-up of Caversham and the diminution of the operation in the UK is so significant.

Sir Alan Duncan: I think most of what happens at Caversham—and perhaps, in effect, nearly all of what is happening at the moment—can still be done in a different building, but having a network abroad as well is, of course, a permanent risk, which has to be managed appropriately by the managers of BBC Monitoring, as we would, for instance, with a diplomatic mission, in terms of travel, making it large or small, taking families back home—that kind of thing.

Q182 **Chair:** Can I please urge you, before you finally sign off anything, Sir Alan, to go to Caversham? I was going to ask you—I have it written at the top of my piece of paper—have you been to Caversham yet?

Sir Alan Duncan: No.

Q183 **Chair:** Can I urge you to go? I am sure you will be looked after very



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well, as we were; we are very grateful to BBC Monitoring.

Sir Alan Duncan: It looks very nice.

Q184 **Chair:** Please go, and you will see a very specialised, high-level, dedicated operation which I think we all ought to be proud of. If they were proposing to pick that up bodily and move it to another location—leaving aside that it won't save much money because of the London weighting and the commuter costs and all the rest of it—and if they were proposing to say, "We are going to put it, as you just expressed it, in another building, so it will carry on in this dedicated, very specialised way," that would be one thing. But it appears that they are not, because we asked in the previous session, "How much room would you have in New Broadcasting House?"

We looked at an NAO report from 2014 which said there was zero capacity left in New Broadcasting House, but it was explained to us that in fact there might have been some people who had moved out, but they still could not tell us, or even give us any idea of what size footprint they would have. So here you have got a major, well-established operation in a particular location being uprooted and moved into a building that is probably quite crowded already, to put it mildly, and is certainly not going to have a dedicated centre as far as we can see. Isn't that a cause for concern?

Sir Alan Duncan: I have to say, I am not in a position to judge the nature, state and size of the accommodation that will replace Caversham, so you will forgive me if I don't pretend to give a detailed answer on that question, although you may know better.

Robert Deane: No, there is nothing really I can add to the BBC's evidence earlier. This really is a question for the BBC: how they organise the supply of the service. My understanding is that they have undertaken to keep the BBC Monitoring team together and to incorporate it—collocate it, if you like—with the BBC World Service, so there should be a positive relationship there in terms of material.

Q185 **Chair:** If there were any question of the BBC no longer being willing to supply open source information to Government according to its needs, would there then be any merit in considering setting up something like, if not a Government agency, then one of these arm's length bodies, which would then free the BBC from those concerns that it has that it is using licence payers' money to do the bidding of Government Departments and agencies, and would ensure that the work streams and the products that the Government needs from Monitoring, on the scale that it needs them, would be guaranteed for the future? Would there be any case for considering severing the link with the BBC and having the ability to do this work on a stand-alone basis?

Sir Alan Duncan: I don't think so, because, again, I am not sure I accept your premise that they have concerns, as if this were some kind of voluntary arrangement that they have been cajoled into which they would rather not have. This is a contract; this is a deal. This is part of the



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Charter obligation, backed up by a specific agreement for the performance of BBC Monitoring. So this is part of the contractual status of the BBC. Now, I think you would have a case if, for instance, at the negotiation of the BBC Charter there was a Mexican stand-off and the BBC were saying, "We're not going to agree to the licence settlement unless you take away BBC Monitoring." Then you are in a different game. But I don't think that is where we are. Indeed, as renewal comes up and the contract renewal occurs, this commitment is being taken on again by the BBC on a clear understanding of what their obligations are, on a contractual basis, and broadly, I would say, far from being with complaint, it is with a broad degree of enthusiasm and good intentions. So I don't accept the picture you have painted here of the BBC attitude.

Q186 Chair: There has been a hypersensitivity about saying anything about the fact that the BBC does work for Government Departments and intelligence agencies. You quite rightly set that to rest with your opening remarks when you said, "This is nothing to do with spying—it is open source information." But even in the dealings that we have had with the BBC, they have said to us, "Please don't use words like open source intelligence, because that has overtones"—

Sir Alan Duncan: Yes, because it isn't. It is open source information. "Intelligence" suggests something that is surreptitious—clandestine. This is not. So I can quite understand, as they exercise what you might call a duty of care over their staff, and making their staff feel comfortable, that they want to make it absolutely clear that this is not espionage; this is the gathering and collation of open source material, and therefore, one would think, totally, totally professionally acceptable, without any question, by anyone who would ever want to be employed by the BBC. So the use of language in describing I think is important, and to get it accurate is right, but that is not to suggest that by choosing accurate language you are trying to hide what it actually is—because they are not.

Q187 Chair: Finally, would you then agree that there is absolutely nothing wrong with the BBC providing Government agencies and Government Departments, including intelligence agencies, with open source monitoring services, even if these are being in part paid for by the licence payer?

Sir Alan Duncan: I see absolutely no objection to that whatsoever. I think this is a satisfactory and balanced relationship. In terms of the intelligence references you made earlier, let us say, for instance, that in a country in Africa someone put up on YouTube the movement of 20 tanks down the high street of a regional town where we don't happen to have a consulate, and suddenly we go, "Woohoo, hello, this is interesting. Something is going on in that country." That is very useful open source information, which cannot be described as "agency related" intelligence, but it is legitimate to know it and act upon it and form a conclusion based on it. In that sense, this sort of service is of great value. In the modern world, with the likes of YouTube and the posting of photos, clips and things from handheld devices, it is increasingly useful in the world, and I



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think that the BBC and BBC Monitoring have a growing and professional capacity to gather it and use it to our advantage.

Q188 Chair: They have, of course, been doing precisely that with their present-sized team, haven't they? That is why it should be a cause for concern that they are going to be expected to do more of this work with fewer people.

Sir Alan Duncan: I think in the modern world, you probably can do more with fewer people, actually. Whereas in the old days you had to get the video, move it, look at it and edit it, this can be done digitally much more quickly, much more extensively. It can be sent from person to person at the click of a mouse. You can deal with massively increased volumes of data with modern equipment in the digital age than you could even 10 years ago.

Q189 Chair: I didn't quite get an answer to whether you would be likely to try and go down and see the operation yourself before deciding how well it would transfer to New Broadcasting House.

Sir Alan Duncan: If my diary permits I will visit, but I would just like to make it clear that I am not necessarily the person who will sign off on this. If your view is that I ought to go because I am the guy who is responsible for signing on the dotted line, I would not want to leave you with that impression because it is a mistaken impression—all-powerful though I would like to be.

Chair: No, my view is that you ought to go because you are the person who had the gumption to appear before this Committee. We are very grateful to you. Unless my colleagues have any further points I would like to thank you both for taking part today.