



Northern Ireland  
Assembly

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**COMMITTEE FOR  
CULTURE, ARTS AND LEISURE**

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**OFFICIAL REPORT**  
(Hansard)

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**BBC ‘Delivering Quality First’ Review**

1 December 2011

**NORTHERN IRELAND ASSEMBLY**

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**Members present for all or part of the proceedings:**

Miss Michelle McIlveen (Chairperson)  
Mr William Irwin (Deputy Chairperson)  
Mr Dominic Bradley  
Mrs Brenda Hale  
Mr David Hilditch  
Mr Michael McGimpsey  
Mrs Karen McKeivitt  
Mr Cathal Ó hOisín  
Mr Robin Swann

**Witnesses:**

Ms Laura Davison        )  
Mr Mervyn Jess         ) National Union of Journalists  
Ms Mary Kelly            )

**The Chairperson:**

Good morning. You are very welcome. Mervyn, would you like to introduce your colleagues? As you will be aware, we have about 20 minutes. Please give your presentation, and then the Committee will ask you some questions. This follows on from the presentation that we received from Peter Johnston a couple of weeks ago and the e-mail that was sent on your behalf as well, which we received.

**Mr Mervyn Jess (National Union of Journalists):**

On my right is Laura Davison, who is the national organiser for broadcasting in the National Union of Journalists (NUJ) headquarters in London. She will present jointly with me; it is a double-header. On my left is Mary Kelly, who is a senior broadcast journalist and producer in politics in BBC Northern Ireland. I am a senior broadcast journalist who works in news. I am also father of the chapel for the NUJ in BBC Belfast, which, in common parlance, basically makes me the shop steward.

I welcome the opportunity to address the Committee today on behalf of the members of the NUJ in the BBC in Belfast. I will hand over to Laura, who will, on our behalf, give you the wider BBC perspective on the 'Delivering Quality First' proposals.

**Ms Laura Davison (National Union of Journalists):**

Thanks for the opportunity to speak to the Committee today. It is appreciated. As Mervyn said, I am a national official in the NUJ's broadcasting office. Alongside my colleague Sue Harris and the general secretary, Michelle Stanistreet, I have responsibility for industrial matters at the BBC. As you may be aware, the National Union of Journalists represents more than 38,000 members in the UK, Ireland and Europe and approximately 4,000 staff and freelancers at the BBC, who work in a range of journalistic and editorial roles in radio, television and online.

I will briefly set out the background that has led to the programme of BBC cuts that were announced in October of this year. In September 2010, the BBC Trust chose not to exercise its right to increase the licence fee under the existing multi-year deal at that time for this financial year 2011-12 and offered to freeze it again for the following financial year, 2012-13. Then, in November of last year, behind closed doors, the director general, Mark Thompson, agreed with the Government to freeze the licence fee at the current £145.50 a year until the end of the current charter, which is 2016-17.

In addition, the BBC agreed to take on additional funding responsibilities to be paid for from the licence fee, including BBC Monitoring, the BBC World Service, S4C and local television. It agreed to provide £150 million a year for the roll-out of super-fast broadband and £25 million a year for local television and online content. In total, the BBC is committed to spending an extra

£340 million of licence fee money to fund all of those undertakings by 2014-15.

As a direct consequence, the BBC's current programme of cuts, which is dubbed 'Delivering Quality First', was announced on 6 October this year. I will briefly summarise what those cuts were. The BBC has said that it wants to make annual savings of £670 million by 2016-17, which is the end of the settlement period. That is a 20% budget reduction. Of that, £400 million will come from productivity savings, which is job cuts and reductions in staff terms and conditions, and £200 million from reductions in scope, which is BBC speak for cuts to programmes. The BBC has indicated that 2,000 jobs will close. It is worth noting that the figures that the BBC has put forward assume an inflation rate of 2% a year over that period of the licence fee settlement. Clearly, at the moment, inflation is running far higher than that.

The burden of the job cuts that have been announced is falling heavily in areas that are core to the BBC's public purposes, namely: news, local radio and current affairs. We estimate that more than 1,000 of those jobs will be in editorial positions, with 700-800 in what is called the news division of the BBC and more than 300 across the BBC nations. The news budget faces cuts of £69 million by 2016, or 13% of its budget in total. Local radio and regional television face savings of 16%, equating to £27 million — the total budget at the moment is £190 million. Three hundred and eighty jobs will go, and of those 280 will come from local radio. Local radio output is being cut by 22%.

International news coverage will be affected, with some sponsored reporter posts around the world closing and some cuts to bureaux around the world. In current affairs and investigative journalism, editions are being cut from Radio 4 programmes such as 'Law in Action' and 'The Report', while 'Beyond Westminster' and 'Taking a Stand' will end; on BBC Radio 5 Live, the '5 Live Investigates' programme is being cut; and the regional television investigative programme 'Inside Out' faces significant cuts of 40%. There are 99 staff posts across England, 40 of which will close. There are 11 programmes at the moment, one for each BBC region in England; that will contract to five to seven programmes. Regions will merge and programmes will have to cover much wider areas.

A programme of cuts is already under way in national television current affairs, affecting the

makers of 'Panorama' in London since February 2011. Thirty-one posts are in the process of going, and, as a result, there will be no current affairs programming on BBC 4 anymore. There will be a cut of about nine hours a year of ad-hoc current affairs programming on BBC 2. Despite promises that there will be new money for 'Panorama' in the future, no definite commitments have been given that it will be inflation-proofed. If it is not inflation-proofed, it could mean further real-terms cuts. The BBC also plans to halve its spending on party conferences and dramatically reduce programme presentation from them.

In the nations — Wales, Scotland and Northern Ireland — cuts of approximately 15% to 16% are expected. In Wales, that means that between 110 and 125 jobs will go; in Scotland, between 100 and 120 jobs will go; and in Northern Ireland, savings of 15%, which is £8.7 million, will lead to 50 to 70 post closures.

**Mr Mervyn Jess (National Union of Journalists):**

We are told that, because of savings that have already been made over the past five years prior to Delivering Quality First (DQF), the targets set for BBC Northern Ireland are 15% savings, amounting to about £7 million over a four-year period, with between 50 and 70 job losses as a result. That amounts to a staff reduction of about 10%. It is proposed that between 10 and 15 journalist posts will be cut, four of which will be in the politics unit. That is as many as we are aware of at this time.

Elsewhere in BBC Northern Ireland, 10 to 15 jobs will go in radio, with three to six jobs going in technology and operations and two to three in management. Other post closures will follow in subsequent years. Those job losses will come on top of the savings, as I have already mentioned, that have already been made over the past five years under the Creative Futures and Continuous Improvement cost-cutting exercises, which resulted in 130 post closures.

Our case is simple: it is not possible to slash budgets by between 15% and 20% and further reduce staffing levels by 10% and then pretend that the BBC will still be able to deliver a quality product to the consumer. People are already working in overstretched departments with pared-back budgets. It is, therefore, inevitable that the quality of BBC journalism programming will be affected. Much of the detail of exactly who and what is at risk under the DQF proposals still have

to be spelled out to us. We know that four politics posts will close, and that the three production teams behind 'Stormont Today', 'Hearts and Minds' and 'The Politics Show' will be amalgamated in some way. We also know that a question mark hangs over the 'Hearts and Minds' programme and party conferences. We know that Radio Ulster will close down each night at midnight — you have probably been told that already — after which it will switch over to 5 Live. That removes the prospect of identifying and encouraging new talent at that time of night, which is what that slot has been used for in the past.

We do not know which areas of journalism will be affected, particularly in television news and radio current affairs, although we hope to get the details some time next week. Naturally, as a trades union, we are concerned for our members and their jobs. However, we are also concerned about what will happen to what we see as the greatest public broadcasting service in the world.

From speaking to fellow journalists in the wake of the proposals, I know that their response has been more or less the same: fewer resources will mean fewer original stories, less time for proper analysis and context and less added value. Added value has been one of the great strengths of the BBC and its journalism, and the corporation has prided itself on that over the years. Specialist insight and critical issues affecting people's daily lives is something that other media organisations do not always provide. If that diminishes, it does so for everyone, and it also lessens value for money for the licence-fee payer.

We recognise that television is an expensive and labour-intensive business; technology is constantly evolving; new ways of working are introduced on an ongoing basis, and staff have to adapt. Some in management may argue that technology reduces the need for staff in certain instances, and that has been the case in the past. However, television and radio programmes are not made by robots; it is the creative nature of a person's mind that does that, along with the individual's skills and professionalism. People come into the BBC to get some of that. It is a powerhouse of broadcasting in Northern Ireland, delivering live programming 365 days of the year. We are concerned that that will be adversely affected by the DQF proposals. If we lose it, it may be impossible to get it back.

We are also concerned that further cuts to resources will erode our skills base and negatively impact on network programme making in Northern Ireland. Trades unions want network and regional programmes to be made in Northern Ireland by people in Northern Ireland.

While recognising the role of the independent production houses in making programmes for the BBC, we also consider that, in the eyes of some accountants, they are more attractive and less expensive alternatives to in-house staffing. There are very real concerns among many of our staff about freelancers coming in over and above in-house staff personnel. Our concern is that when politicians from all parties have been talking about the importance of new media opportunities, the BBC, which has been a market leader in standards and quality, will instead become nothing more than a branding house, managed by accountants who know how to wring out every last penny but who know nothing about creativity, stamina, skills and what is required to make quality broadcasting. Without a foundation such as the BBC, the independent sector in Northern Ireland will, ultimately, suffer and be required to produce programmes on ever tighter budgets with poorly paid, inexperienced, freelance staff. That is not good for us or for them. More importantly, it is not good for the viewer and the listener.

Listeners tell us that we do a reasonable — and at times a very good — job on many areas of our broadcasting. Radio Ulster's figures in particular and the BBC's television figures are very robust; listeners find programmes engaging, informative and entertaining. Indeed, even politicians have been known to engage.

All radio stations require texture and variety in their programmes to make them interesting, and having thoughtful, knowledgeable and experienced people working on those programmes is key. Creative people, not accountants, make programmes. Robust, objective and independent journalism is an essential part of the fabric of society in any democracy, and anyone who works in journalism holds that belief strongly. A strong, well-funded and properly staffed public service broadcaster such as the BBC also has an important role to play. The BBC in Northern Ireland has proven its worth, pre- and post-conflict.

**Ms Davison:**

I want to make two further points on what the unions are campaigning for and give some

examples of where we feel the BBC could assist with that process. Time and again, proposals have been put forward that, as Mervyn said, threaten the survival of core public-purpose programming, such as those that threatened Radio Foyle in 2009. Those services are too important to their communities to be left to the whims of BBC management. Time and again, it is left to unions, politicians and the public to fight for the services that the BBC itself should be protecting and standing up for. There needs to be proper public representation on the bodies making those decisions.

Moreover, the BBC is responsible for how public money is spent; it should prioritise protecting core programme making and journalism. For example, the BBC Trust and management spent approximately £54 million on consultants over the past six years. That money could have been spent on programmes.

A Public Accounts Committee report that was published in March this year on the BBC's digital media initiative showed that failings in the project cost licence-fee payers £26 million, which had to be saved in efficiencies — cuts — in BBC divisions. Top pay at the BBC is approximately twenty-one and a half times the median salary and 46 times the lowest salary. If pay was distributed more fairly, fewer programme makers and broadcasters would be at risk.

The NUJ is arguing for the licence fee deal to be reviewed, with proper political and public involvement. That is especially critical, given what has emerged about Rupert Murdoch's influence over the Government when the deal was done. Core areas of journalism and programme making should be protected, and there should be proper research into licence-fee payers' willingness to pay more to provide the current level of BBC services. The cost of the licence fee has gone up by just £10 since 2007; it is now just over £12 a month for all the TV, radio, websites and live events that the BBC covers. That compares with upwards of £60 a month for some subscription services. We have done calculations and believe that if householders were to pay about £2 more a month, those cuts need not go ahead. If I may, I will pass round postcards that we have produced as part of our campaign.

**The Chairperson:**

Thank you for spending time with us. The Committee has concerns. We asked you to come



along this morning because of those concerns and the information that we received from Peter Johnston about the loss of jobs and quality of production and programming in Northern Ireland, which Mervyn emphasised. We also have concerns about the reduction in original programming for Northern Ireland and the impact that that will have on the wider economy.

I know that you have mounted quite a campaign, as the postcards indicate; but do you feel that the management is taking what you say seriously?

**Mr Jess:**

As you can imagine, we have been involved in discussions with management about this over several weeks and probably months. I think that management hears what we are saying. However, local management's hands are to a large extent tied by what is dictated at central level in London. The policy is handed to them, and they have to run with it. We try our best to work round problems and have been successful in that no one has been made compulsorily redundant in the BBC in my recollection. However, we are staring that prospect in the face because of the DQF cuts. I do not wish to downplay management's role in this.

During the discussions there was a realisation that this is not great news for us at all. I imagine that there are managers who do not want to see programmes diminished in any way; they would much rather have the staff to make programmes as they should be made. However, they have been given a pot of money and told that they have to make do with it. To that extent, it is something of a *fait accompli*.

**Ms Davison:**

Nationally, we would have liked — and would still like — BBC management to fight much harder over the licence fee settlement. However, the deal has been done, and that is where the cuts have come from. The deal should not have been done in the way that it was — in a few days behind closed doors. There should have been a public and political debate about the future of the BBC and the level of licence fee funding. We are asking for it to be reviewed so that such debate can happen.

**The Chairperson:**

There was a feeling abroad that a spin was placed on the idea of delivering bad news under the banner of Delivering Quality First; the notion was that, despite having to do this, the BBC was going to improve its product. From what you have said, that will be incredibly difficult to achieve.

**Ms Mary Kelly (National Union of Journalists):**

Impossible, we would say.

**Mr Jess:**

Yes; impossible to achieve. That will become apparent if the cuts go through as proposed. You would see it on your television screens and hear it on your radios; it is as simple as that. We have been attuned to spin for many years. There is spin being put on this by some senior managers, which is something that we have to cut through. That is what we are trying to do here today.

**Mr McGimpsey:**

We had your boss in at our last meeting. I put it to him that we did not want to see a repeat at Ormeau Avenue of what happened at UTV a couple of years ago. He assured me that that would absolutely not happen and that staff side was fully engaged, aware and informed. He appeared to feel that he had a way forward that, although it would not satisfy everybody, would be seen as reasonable by everybody. Listening to you this morning, I detect that that is overselling it a little bit.

You talk about a *fait accompli*. They did the deal on the licence fee to 2016, but they did that when inflation was projected to be about 2%; it is almost 5%. Whatever you were looking at from the start — which was tough — has effectively doubled. Therefore there is a strong case for renegotiation, although I am not clear what our role is in that.

If you cut budgets, which is what will happen, you will end up cutting the service. That is what is happening, and it is very concerning for us for jobs and the quality of the service. Are you any clearer about what will actually happen in Ormeau Avenue? We hear these things about 'Hearts and Minds', 'Good Morning Ulster', 'Newsline' and so on. Your boss appeared to be

saying that we would not see much of a difference and that everything would carry on as before. Are they genuinely engaging with you? Are they telling you what will happen? Do you know what is happening with 'Hearts and Minds'? Do you know what will happen with GMU, 'Spotlight' and so on? It is not all about news and current affairs, but much of our local production is in that area.

I am trying to get a sense of what is happening, because we have been led to believe that there is a fairly smooth way forward and that Northern Ireland is getting half-special treatment. You appear to be saying something a wee bit different, which would be a concern.

**Mr Jess:**

The answer to all your questions is no. We may know more next week, but we wait to see. We have not been given specifics of the breakdown. We are concerned because we are looking at the figures and are listening to what is being said about the number of people being cut. Knowing how many people work in the areas that we are in, we are asking ourselves how things will ever work as they have with fewer people and less money. Fewer people means less resources. There is only so much a single person can do.

That is why we launched this campaign: to get as many people engaged in the consultation as possible through the trust before the axe falls. We are trying to avert the axe falling. They are described as proposals, but most people who are waiting for the axe to fall see the proposals as a plan that is more or less in motion and which will run its course. The only way we can see that plan being hauled back, revisited and, perhaps, redrawn is by pressure being applied at all levels — community and political.

You heard what Laura said about revisiting the freeze in the licence fee, which is at the core of the issue. That will be addressed next week as part of a major lobby of all MPS and Lords throughout the UK over the BBC cuts, corporation-wide.

**Ms M Kelly:**

As regards 'Hearts and Minds', the only information that we were given at the start was that the production team — two people — would be moved into the wider political unit. We do not know

whether 'Hearts and Minds' as an entity will survive, as the teams are being amalgamated. After tonight's programme, there are two more weeks until the end of the run. We do not know what is happening in January; we have not been told yet.

**Mr McGimpsey:**

Do you have another plan? The BBC bosses will have a plan of what they will do. You seem to be talking about top people's pay, fair distribution of wages and so on.

**Ms Davison:**

We are campaigning on several issues. The key one is to reopen the licence-fee settlement and have a proper debate about whether people would be prepared to pay more for the licence fee. Although there has been nothing recent, research in 2009 showed that people would be prepared to pay more for the licence fee. By the end of the settlement, the cost of the licence fee will not have gone up for some seven years. There is capacity for a genuine discussion about whether people would be willing to pay more when they understand the cuts' impact on the services that they receive. It is clear from the figures put forward by BBC management that the burden of the cuts falls on staff. Two thirds of the savings are coming from staff, whether through job losses or reductions in terms and conditions.

**Mr McGimpsey:**

With the recession, the chances of folks who lose their job getting work are very small. I have always thought that, for both us here and the BBC, the key thing is to hold onto every job that you can. This is the worst possible time to shed staff, because they will not be re-employed; they will end up sitting on the dole.

**Ms Davison:**

The BBC should not be spending licence-fee payers' money on making people redundant; that is not a good use of licence-fee payers' money. The BBC should try to retain skills in the organisation and redeploy people if appropriate.

**Mr D Bradley:**

It seems to me that the BBC Trust brought this on the BBC by freezing the licence fee. Did the

BBC Trust do that of its own volition, or was it forced to by the Government?

**Ms Davison:**

The BBC Trust voluntarily offered to freeze the licence fee for this financial year and the following financial year. It could have asked for an increase but chose not to.

**Mr D Bradley:**

Then the Government asked them for an extension.

**Ms Davison:**

Yes, precisely.

**Mr D Bradley:**

The BBC Trust's initial action seems a bit like turkeys voting for Christmas. You said that the licence fee would cost an additional £2 per household. Is that per annum?

**Ms Davison:**

No, it would be an extra £2 a month; it would be about £25 a year.

**Mr D Bradley:**

Mervyn said that there will be a big lobby in Parliament next week. What is your view? Is unfreezing the licence fee doable?

**Ms Davison:**

Yes, I think that it is. As Mervyn said, campaigning is needed at all levels to put pressure on the Government to revisit it. The settlement reached last year involved significant cuts to the BBC World Service, which took place early this year. Thanks to lobbying during that process, the Government looked again at the settlement and made more money available for the BBC World Service. Therefore, I believe that it is possible.

**Mr D Bradley:**

What time frame are we talking about? Will it be until the end of the consultation on Delivering

Quality First?

**Ms Davison:**

Consultation closes on 21 December, and the trust will carry out its deliberations in the months after that.

**Mr D Bradley:**

Does that mean that it is best to bring pressure to bear before the end of the consultation period?

**Ms Davison:**

Yes; the next few weeks are critical.

**Mr Irwin:**

Although none of us wants job losses at this time, there is a perception that many people in the BBC, such as directors and presenters, are very highly paid. Some presenters even have secrecy clauses written into their contracts so that their earnings cannot be divulged. Do you not accept that such perception does not help you to get sympathy from the public?

**Mr D Bradley:**

Do you have a secrecy clause, Mervyn?

**Mr Jess:**

There is no secrecy clause in my contract. You can find mine in the bands of pay, which are probably listed on a website somewhere. However, I know what you are saying, and I agree that there is a perception that everyone in the BBC is on Mark Thompson's wage.

**Mrs Hale:**

Or Jonathan Ross's.

**The Chairperson:**

Or Stephen Nolan's.

**Mr Irwin:**

That is the one with the secrecy clause.

**Mr Jess:**

I will plead the fifth on that. *[Laughter.]* I assure you that, for the people who work in the areas that we work in, specifically in journalism, it is nothing like that. We are not on contracts that are negotiated year to year. There are set bands of pay and, like anybody else in any other industry, you progress through them in the years that you are in the job. If you get promotion, you progress to another band; however, nobody with whom I work is anywhere near that type of money.

**Mr Irwin:**

However, that perception exists, and it is a difficulty.

**Mr Jess:**

It is. We do our best to get round it and to explain to people that that is not the case, but when those stories appear on the front of a tabloid newspaper with a large headline, you know how it is. The only time we get a chance to explain that is when we are standing on a picket line during industrial action. In that case, people engage with us on the street, and we try our best to say that, no, that is not the case, and this is what we are about. Workers in other trades unions know that that is not the case, but I know what you are saying and I would not quarrel with it.

**Ms Davison:**

You are absolutely right: it has been very damaging to people's perception of the BBC. The director general should not be paid between £600,000 and £700,000 a year; that is not a good use of licence-fee-payers' money. The NUJ calculated that the median salary for someone at the BBC is only about £30,000 and that starting salaries can be as low as £14,000; that gives an accurate perspective. However, there is a justified perception that the salaries at the top of the BBC are too high.

**The Chairperson:**

You were obviously speaking to Gregory Campbell before you came in. *[Laughter.]*

**Mr Ó hOisín:**

You referred to what was a bit of a crisis at Radio Foyle some years ago. I asked the director when he was here about potential losses in Radio Foyle and local radio, and he assured me that that was not what had happened. In my year as mayor, I campaigned long and hard, and I championed Radio Foyle, but I felt afterwards that the quality of provision dropped while staffing levels remained. Is that a danger across the board? You mentioned 22% in local radio; although that refers to only 10 or 15 jobs. Is that the reality? I get the feeling that Radio Foyle became something else after the crisis of two years ago.

**Ms Davison:**

In local radio the money goes to the staff; those are the costs. If you cut costs, you cut staff, and you cannot preserve quality if that happens.

**Mr Ó hOisín:**

In the case of Radio Foyle particularly, there were fewer local, Derry-produced programmes afterwards; we were getting more stuff from Belfast and elsewhere. Is there a danger of that happening across BBC NI?

**Ms M Kelly:**

It is cheaper to share.

**Mr Jess:**

That is happening in regional programmes in England. The concern is that their locally produced programmes in a specific region of England will no longer be made. You might switch on to a network textile programme, which may be of interest generally but which will be of no interest to people locally. That is a consequence of cutbacks.

If those programmes go and the people who make them made redundant, it naturally follows that you lose local identity. You have local identity in Foyle, and you have the wider Northern Ireland identity through Radio Ulster, and if cuts continue to be made at that level, there could be other ramifications. We are only talking about the first two years of this process; we do not know



what the following two years will mean yet.

**Ms M Kelly:**

You mentioned “spin”; a previous job-cutting exercise was called Continuing Improvement. Up to 10 jobs are likely to disappear in factual programming. That does not include 'Spotlight' or current affairs but rather programmes such as 'The Shankill Butchers' and the one about the journalist looking back. That is an area where Northern Ireland reflects its own place, and it will be lost if those jobs go.

**Mr Ó hOisín:**

Local flavour has been lost, particularly in the north-west. We lost a great breakfast programme that ran from 7.00 am to 10.30 am. It has been replaced by something else.

**Ms Davison:**

The difficulty is that taking that road undermines the case for the license fee even further because people want to have local services; there is no point in a local radio station that is not local.

**The Chairperson:**

No other member has indicated that he wants to speak. I thank you once again for coming this morning. The Committee will reflect on the presentation by Peter Johnston and on today's evidence and will respond to the consultation. Thank you very much.