

Culture, Welsh Language and Communications Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Jacquie Hughes
Director of Content Policy

4 October 2017

Dear Ms Jenkins,

Thank you for your response on behalf of the *Culture, Welsh Language and Communications Committee*, to our consultation '*Holding the BBC to account for the delivery of its mission and public purposes*'. We are currently taking into account all submissions to our consultation in reaching our final decision, including on the many important issues you raise in your letter for Welsh citizens and consumers. We will publish a statement shortly setting out our response to the consultation, but ahead of that I wanted to provide some clarity in relation to your question about the discussion at the Committee about production in Scotland.

Schedule 2 of the Agreement requires Ofcom to set conditions for a suitable proportion of network television hours and spend to be made outside the M25, and for these to include a suitable range of programmes. We are required to set hours conditions for the nations (Scotland, Wales and Northern Ireland), and suitable proportions of spend for each nation as well as England (outside of the M25 area). In our consultation we proposed to set quotas broadly in line with the proportion of the UK population in each Nation: 8% in Scotland, 5% in Wales, 3% in Northern Ireland, and 34% in the English regions. This would replace the previous target of 17% for Wales, Scotland and Northern Ireland combined.

At the hearing, I set out that our proposals would ensure production both out-of-London and in each nation specifically. This is because the proposals would guarantee minimum levels of production in each nation for the first time, so that individual targets for each of Wales, Scotland and NI would have to be met, rather than a figure of 17% aggregating spend in those three nations together. I cited Scotland as an example where production spend had historically been above a population-based level. The table below, which shows the published figures for BBC production spend in each nation and the English regions since 2013, sets this out in more detail. The colours indicate whether the BBC would have met our proposed quotas had they been in force in each year.

	Proposed Ofcom quota	Trust target	2016	2015	2014	2013
UK (outside the M25)	50%	50%	50.6%	48.1%	53.3%	52.5%
England (outside the M25)	34%	n/a	28.8%	28.5%	32.4%	28.4%
Scotland	8%	c.8%	10.3%	7.7%	9.2%	10.9%
Wales	5%	c.5%	5.8%	7.1%	6.5%	6.8%
Northern Ireland	3%	c.3%	3.1%	1.8%	2.5%	2.2%

Source: Ofcom PSB compliance report 2017, slide 13. https://www.ofcom.org.uk/data/assets/pdf_file/0020/103925/psb-compliancereport.pdf

If these proposed spend targets were set in place the BBC could still choose to exceed them in one or more nations as long as they meet each of their individual targets for Wales, Scotland, NI and England outside the M25.

I hope that this is helpful in clarifying the point I was seeking to explain in my evidence to the Committee. Our forthcoming statement and first Operating Licence will set how we intend to ensure that citizens and consumers in all parts of the UK, including Wales, will be well served.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Hughes', with a stylized flourish at the end.

Jacquie Hughes