



House of Commons
Defence Committee

Open Source Stupidity: The Threat to the BBC Monitoring Service

Fifth Report of Session 2016–17

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to the report*

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Summary

BBC Monitoring is a service which gathers open source information—sometimes referred to as open source intelligence—from foreign media and freely available social media from countries around the world. It was set up during the Second World War to monitor foreign broadcasts. Today, it translates and analyses articles and posts from 150 countries in 100 languages. Its product is used by the BBC to set context for its own news reporting but, much more importantly, it is an indispensable source of information for Government departments and agencies.

The Government uses open source information for indicators and warnings of areas of instability and potential threats to UK security. BBC Monitoring is one of the few open source information-gathering agencies which has a global reach through its partnership with its US counterpart, Open Source Enterprise (OSE). Currently, BBC Monitoring covers 25% of the globe and OSE the remaining 75%. The complementarity of this arrangement for sharing open source information represents a huge return for the United Kingdom on the modest costs of the operation (which are around £25 million per annum). Such global coverage is vital to the understanding not only of Government departments, including the Ministry of Defence, the Foreign & Commonwealth Office and the Intelligence Services but also NGOs and private organisations. This information is not currently available from any other provider.

For decades, BBC Monitoring was funded by departmental grants and then a ring-fenced sum from its principal client, the Government. However, a 2010 agreement between the Coalition Government and the BBC transferred funding responsibility to the licence-payer. That decision, which took effect in 2013, removed the security and certainty of funding for BBC Monitoring, and—entirely predictably—laid it open to successive cuts as a result of general economies in BBC budgets. In addition to further severe budget cuts, BBC Monitoring is currently facing the loss of its Caversham Park headquarters (formerly owned by the Government) and many of its specialists who have no wish to relocate. The proposed restructuring will result in almost 100 job losses (about 50% of BBC Monitoring staff work overseas) and those who remain will have to take on significantly broader duties. In particular, the specialist Video Unit will be shut down, principally, we were told, because nearly all its work served a single customer—the Ministry of Defence.

Proposals for the relocation of BBC Monitoring will see the remaining staff moved from their current dedicated base near Reading (which also houses the OSE) to a central London BBC location—probably New Broadcasting House. This will loosen and weaken the relationship with OSE and undermine the working conditions and scale of operations of the BBC Monitoring staff. The benefits of such a move remain completely obscure, not least because of the absence of any concrete plan for future dedicated premises and the uncertainty over whether the BBC or the Government would gain financially from any subsequent sale of Caversham Park.

We are convinced and gravely concerned that the proposed changes to BBC Monitoring will lead to a degradation of the service provided—a service which the Government cannot afford to lose. We believe that these changes are unwise as they put at risk the vital future provision of open source information. We have seen strong indications

that elements within the hierarchy of the BBC are unhappy with licence-payers' money being used to fund BBC employees to provide a service to Government departments. We understand this concern and we take the view that such work should be specifically and separately funded by Government in the future, as it always was in the past.

We therefore conclude that the Government must reinstate funding of the service in order to protect its skilled staff and specialist infrastructure. If the BBC is not willing to co-operate, then the Government should recognise the folly of the 2010 decision; take back ownership of Caversham Park; restore the modest central funding required and reconstitute the Monitoring Service as a state-owned Open Source Information Agency, in order to guarantee its future, once and for all.

1 Introduction

1. BBC Monitoring is an open source information-gathering service. As well as supplying context to many BBC news items, it supplies translations and analysis of foreign news media and social media to a number of Government departments and to private customers on a commercial basis. The Ministry of Defence and the Foreign and Commonwealth Office consider this open source information to be an important resource to help them develop a wider understanding of the world and to gain knowledge of the local context of a wide range of countries. The information is also used by the security and intelligence agencies, though it is by definition neither secret in its content, nor clandestine in its compilation.

2. BBC Monitoring used to be funded through individual contributions from its main departmental stakeholders, which were predominantly the Ministry of Defence, Foreign and Commonwealth Office and the Cabinet Office. In 2006–07, these individual streams of funding were consolidated into a ring-fenced grant administered by the Cabinet Office. That funding was supplemented by commercial sales to non-government organisations. At the time of the 2010 Comprehensive Spending Review, the Government and the BBC agreed to transfer responsibility for funding from Government to the BBC (in other words from the taxpayer to the licence fee-payer).¹

3. In July 2016, the BBC announced its intention to make significant changes to the BBC Monitoring service.² Following discussions with our colleagues on the Foreign Affairs Committee, we met the BBC to discuss its plans for BBC Monitoring. Subsequently, the Foreign Affairs Committee held an evidence session on the matter, in which we and the Public Administration and Constitutional Affairs Committee participated. The Foreign Affairs Committee published its Report on BBC Monitoring on 29 October 2016.³ We, in turn, concluded that the specific impact on the Ministry of Defence of the existing funding arrangements and the proposed changes to BBC Monitoring merited further scrutiny. We held two evidence sessions with the following witnesses:

- Lord (Menzies) Campbell of Pittenweem; Keir Giles of Chatham House; Admiral (Rtd) Lord West of Spithead and Air Marshal (Rtd) Christopher Nickols, both former Chiefs of Defence Intelligence; and General (Rtd) Sir Richard Barrons, former Commander, Joint Forces Command.
- Francesca Unsworth, Director, BBC World Service Group and Deputy Director of News and Current Affairs, and Sara Beck, Director, BBC Monitoring; Rt Hon Sir Alan Duncan MP, Minister of State, and Robert Deane, Head of Knowledge Management Department, Foreign and Commonwealth Office.

4. In addition to our evidence sessions, we visited Caversham Park where BBC Monitoring is based. Our visit left us in no doubt that the staff who work there are dedicated, knowledgeable and enthusiastic and it is clear that they are justifiably proud of the work that they produce. We thank them for taking the time to assist our understanding.

1 HM Treasury, Spending Review 2010, [Cm 7942](#)

2 [BBC Media Centre](#), 5 July 2016

3 Fifth Report from the Foreign Affairs Committee, *The future operations of BBC Monitoring*, Session 2016–17, [HC 732](#)

Previous work by the House of Commons to underline the importance of BBC Monitoring

5. This is not the first time that members of this House have scrutinised the funding and management of BBC Monitoring. As far back as the 1950s, the Select Committee on Estimates called for the Government to commit to long-term investment in BBC Monitoring.⁴ In 1955, Sir Leslie Plummer MP raised the matter of cuts to the funding of BBC Monitoring in an adjournment debate:

The Treasury has decided that this staff is to be reduced, because when it imposed this £25,000 cut it imposed it on the number of men employed, for of the £450,000 that was to be spent more than £350,000 was for wages and salaries. And so some 15 monitors, highly trained men, devoted men, some of them naturalised British citizens, in whom the Overseas Service had invested a considerable sum of money, have been declared redundant and have had to leave the service of the BBC.⁵

6. More recently, the Intelligence and Security Committee (ISC) recommended that the Government ensure that BBC Monitoring is adequately funded.⁶ That Report led to a Cabinet Office review which concluded that:

If this monitoring service were brought to an end the product would not be available from alternative sources. Moreover it would prove a false economy because steps taken by present stakeholders to remedy its loss, or to manage without it, are likely to be more costly.⁷

7. In July 2011, the ISC revisited the funding of BBC Monitoring. It concluded that BBC Monitoring provided “an irreplaceable service to the Intelligence Community”. That Committee—whose members included the current chairman of the Defence Committee and the then Sir Menzies Campbell—argued that there was “a powerful case for reviewing the decisions that were made about BBC Monitoring’s funding in the 2010 Spending Review” and recommended that Ministers “reconsider the cuts to BBC Monitoring in the period leading up to the transfer to licence fee funding”.⁸

8. In its Fourth Report of 2010–12 on the BBC Licence Fee Settlement and Annual Report, the Culture, Media and Sport Committee described BBC Monitoring as “a strategic asset” and warned of the risk of “tension under the new funding arrangements if the government stakeholders wanted to maintain or expand monitoring services that the BBC judged to be unaffordable”.⁹

4 Select Committee on Estimates, Ninth Report of Session 1951–52, Overseas Broadcasting, [HC 287](#)

5 [HC Deb, 3 May 1955, cols 1645–56](#)

6 Intelligence and Security Committee, Annual Report 2003–04, [Cm 6240](#)

7 Sir Quentin Thomas, ‘Review of BBC Monitoring’, 2005

8 Intelligence and Security Committee, Annual Report 2010–11, [Cm 8114](#)

9 Fourth Report from the Culture, Media and Sport Committee, BBC Licence Fee Settlement and Annual Report Session 2010–12, [HC 454](#), para 65

9. More recently, the Foreign Affairs Committee of this Parliament reported on the future operations of BBC Monitoring. The Committee set out the following conclusion and recommendation:

38. We have seen no evidence of a drop in demand within Government for open-source monitoring. If anything, given the increase in social media output, the Government is in greater need than ever of an extensive and well-resourced monitoring service. The Government is the prime customer, and there is no good reason why it should expect to have the benefit of a product which is key to policy-making without providing funding for it. Other countries with similar operations fund them from central government.

39. It was a mistake to end Government funding for BBC Monitoring. The motivation for this change was presentational, with predictable—and predicted—substantial consequences. The Government should reverse the changes made in 2013 and should restore Government funding for open source monitoring of media sources overseas, whether that is performed by BBC Monitoring or whether the Government does the work itself. Any transfer of the monitoring function from BBC Monitoring to the Government should only take place if it can be achieved without losing the expertise of those currently working for BBC Monitoring.¹⁰

10. **We fully concur with the conclusion of the Foreign Affairs Committee that the Government made a serious mistake when it ceased funding BBC Monitoring to provide it with the vital open source material upon which it relies. The decisions made concerning the funding and governance of BBC Monitoring over the past decade or so have been woefully short-sighted and catastrophically ill thought-out. A service that has the potential to be a vital tool in opening the world to UK diplomacy and business is in grave danger of becoming a hollow shell of its former existence.**

10 Fifth Report from the Foreign Affairs Committee, *The future operations of BBC Monitoring*, Session 2016–17, [HC 732](#)

2 BBC Monitoring

Background

11. BBC Monitoring was established at the start of the Second World War, to provide briefings and analysis on propaganda and other broadcasts coming out of Europe. Its staff produced daily briefings for the War Cabinet on developments both in Europe and across the world. In the 1940s, BBC Monitoring was relocated from its original home at Wood Norton, near Evesham, to Caversham Park.¹¹ Its US counterpart, Open Source Enterprise, joined BBC Monitoring at Caversham and have since been co-located there for many years.¹²

The work of BBC Monitoring

12. BBC Monitoring translates and analyses news and information from media sources including TV and radio broadcasts, the press and social media, across 100 different languages and 150 countries around the world. Not only does it produce verbatim transcripts, it also generates analysis of news items, using a range of media sources reporting on the same topic. It also produces assessments of the reach and influence of different types of media in areas across the world.

13. The arrangement and co-location with Open Source Enterprise is part of a burden-sharing arrangement. The two organisations focus on different areas of the world and then share their work. Open Source Enterprise, the larger of the two organisations, is responsible for monitoring 75% of the world, with BBC Monitoring taking the lead on the remaining 25%.¹³ Through its relationship with the OSE, BBC Monitoring also has access to information produced by the equivalent Australian service.¹⁴

14. BBC Monitoring has 320 staff, roughly half of whom are based at Caversham Park. The remaining staff are based in offices in a wide range of countries including the United States, Ukraine, Georgia, Russia, Uzbekistan, Egypt, Kenya, Afghanistan and India. BBC Monitoring staff work in shifts providing coverage of the world's media between 8am and 11pm. In addition to the regional desks at Caversham Park there are a number of specialised teams including the Jihadist Media Team (which monitors extremist media across platforms); the Monitoring Research Unit (which collates information for country and individual profiles); the Source Management Team (which identifies media sources and their affiliations); and the Video Unit (which provides the Ministry of Defence with videos of hostilities, weapons, military and strategic infrastructure).¹⁵ These teams are overseen by two 'operational hubs'.¹⁶

11 BBC Monitoring, [A history of Caversham](#)

12 Attention! Moscow Calling: BBC Monitoring and the Cuban Missile Crisis, [Imperial War Museum](#)

13 Fifth Report from the Foreign Affairs Committee, *The future operations of BBC Monitoring*, Session 2016–17, [HC 732](#)

14 Supplementary BBC written evidence to the Foreign Affairs Committee, ([BBC0003](#))

15 NUJ written evidence to the Foreign Affairs Committee, ([BBC0002](#))

16 BBC written evidence to the Foreign Affairs Committee, ([BBC0001](#))

Who uses open source information?

15. The information produced by BBC Monitoring is relied upon by the MoD, FCO and is also used by other Government departments and the security and intelligence agencies. Whilst those departments have their own ‘in-house’ open source collection teams, the Government explained that they are used primarily to supplement the service provided by BBC Monitoring. Those teams act as “a focus-point” for collecting departmental open source requirements; ensuring that BBC Monitoring’s output complements the department’s own sources; and disseminating “the right product to the right user within each department”.¹⁷

16. Given that BBC Monitoring does not deal with any confidential or secret material, it is able to employ talented linguists who would not be able to work within Government departments or agencies on account of their own or their spouses’ nationalities or other factors which prevent them from meeting the requirements of vetting. By working in a dedicated open source monitoring organisation, such individuals are enabled to make valuable contributions to UK security and foreign policy, despite being disqualified from direct employment in sensitive departments or agencies.

17. The importance of BBC Monitoring’s output to Government departments was highlighted by the National Union of Journalists (NUJ):

Open source sheds light on places where information is scarce or tightly controlled and where the UK has little presence. It illustrates the sometimes distorted way in which others perceive the world, themselves and us. It gives clues as to their intentions and can supplement and confirm, or query, intelligence from other sources. It gives early warning of instability and conflict and is especially useful as the UK reduces its physical footprint abroad.¹⁸

18. Lord Campbell agreed that the work of BBC Monitoring was a key resource for the work of Government departments:

If you are trying to reach an intelligence picture, it is a bit like a jigsaw. You need bits and pieces—human intelligence, signals intelligence—but often the open source intelligence is confirmative of other things.¹⁹

As an example, he highlighted the value of that work in providing Government with a better intelligence picture of Russia:

Our relationship with [...] Russia is as poor as it has been for a long time. In those circumstances, it seems to me that the security and continuity that BBC Monitoring has been able to produce over the years is absolutely fundamental to the security of the United Kingdom.²⁰

19. The importance of BBC Monitoring to the MoD was reaffirmed by the Secretary of State for Defence during Defence Questions on 12 September 2016. In answer to a Topical Question, he agreed that the service provided by BBC Monitoring was of “vital interest

17 HM Government ([BBC0005](#))

18 NUJ ([BBC0006](#))

19 Q5

20 Q3

to the MoD”.²¹ In oral evidence, Admiral (Rtd) Lord West, a former First Sea Lord at the MoD, and a Security Minister in the 2005 Government, told us why open source information was important to the MoD:

We have made a decision to look outwards around the world and to deploy globally to try to nip things in the bud. A classic example of that is the Queen Elizabeth carrier, and the carrier battle group. That carrier battle group will be able to sail from the UK and go out for 500 miles a day, way out around the world—to the Far East, the Middle East or wherever. If you are operating that, with its fixed-wing aircraft and probably with Marines on some of the ships, you need to know very clearly what the problems are, where the difficulties are, what impact the movement of your ship has, where you want to be seen to be doing something, where it would be useful, where it would ease tension and where it would actually increase tension so that you don’t go there.²²

This position was also supported by General (Rtd) Sir Richard Barrons, former Commander, Joint Forces Command:

We are following a complex, highly charged world, where we might recognise there are potential risks to our interests and values. Defence Intelligence is able to draw on all the work of our secret intelligence agencies, which is very focused, but none of that work is going to give Defence Intelligence a general understanding of the situation it is contemplating. This is about culture, current events, public sentiment and some analysis of aspects of society about which we may know nothing. Without that, what you are left with is just the specifics of what you have heard, talked to people about or photographed, and that will be much narrower.

General Barrons concluded by stressing that the open source information provided by BBC Monitoring was “a really key part” of understanding the country or region into which the UK was preparing to intervene.²³

20. Air Marshal (Rtd) Christopher Nickols, a former Chief of Defence Intelligence, agreed. He said that BBC Monitoring was “absolutely key” to providing Defence Intelligence with “indicators and warnings” because it covered areas in more detail than other agencies. He added that it also provided valuable language expertise above and beyond what was available within the intelligence world.²⁴ Furthermore, he said that in some cases, the material provided by BBC Monitoring could be the only information available.²⁵

21. In evidence, we were given a flavour of the importance of BBC Monitoring in assisting Government in the formulation of its foreign policy:

During the final week of the Cuban Missile Crisis of October 1962:

At a time when no “hot line” connected the Kremlin with the White House, [BBC] Monitoring performed the critical role of communication between

21 HC Deb, 12 September 2016, [col 598](#)

22 Q41

23 Q58

24 Q29

25 Q41

Presidents Khrushchev and Kennedy. As fear of nuclear confrontation over the Soviet missiles sited on Cuba pointing towards the USA grew day by day, the Soviet leader's message to JFK signalling a climb-down was read out on Radio Moscow. [BBC] Russian monitors were ready and waiting. Khrushchev's letter was translated and transmitted to Washington within minutes, helping to avert the immediate danger of thermo-nuclear war.²⁶

During the aftermath of Chernobyl

During the Chernobyl nuclear disaster in the Soviet Union in April 1986, the Monitoring Service started running translations of reports from various Soviet republics about their agricultural harvests, and particularly the harvest of 'soft' and forest fruit during that year. That provided my Institute's researchers with the first indications that the radiation damage from the disaster was far more significant and extensive. BBC Monitoring also provided information on hospital beds' shortages in neighbouring Poland, yet another indication that some of the damage from Chernobyl was more widespread than the authorities envisaged.²⁷

During the Afghanistan War

In 2007 I was assisting General Andrew Mackay in the planning for his deployment to Afghanistan. He had decided that was to be an influence-led deployment and we used BBC Monitoring extensively in advance of, during and post operations to assess local and regional media coverage and address emerging issues quickly. Very often the trans-national Arab media, with their many correspondents on the ground, would report material of direct interest to us—and coverage of this was provided exclusively by BBCM.²⁸

22. However, it is not just the UK Government which benefits from this service. BBC Monitoring also provides a service, on a commercial basis, to a wide range of intergovernmental organisations including NATO, the Organisation for Security and Co-operation in Europe (OSCE), EU and UN; ministries and embassies of other countries; academic and research institutes; multinationals; UK and foreign media; and charities and NGOs.²⁹ Dr Jonathan Eyal, Associate Director, Strategic Research Partnership, emphasised the importance of BBC Monitoring to the Royal United Services Institute, one of London's premier Defence and Security think-tanks:

As someone who has led and conducted research activities at my institute over decades, I have absolutely no doubt that BBC Monitoring is a critical service, and an essential element in keeping Britain in the forefront of defence and security research, and in promoting that vital intellectual dialogue between government and think-tanks over the handling of security crises.³⁰

26 Elizabeth Morley ([BBC0003](#))

27 Dr Jonathan Eyal ([BBC0007](#))

28 Commander (Rtd) Dr Steve Tatham ([BBC0001](#))

29 NUJ ([BBC0006](#))

30 Dr Jonathan Eyal ([BBC0007](#))

23. The rarity of the product and the prestige of its customers underline the value of the service provided by BBC Monitoring. The world is becoming increasingly connected and information now travels at a speed never before known. It is important that the UK Government ensures that it has access to this information when planning to respond to crises abroad, whether it is political, military, humanitarian or medical. The service provided by BBC Monitoring is vital to that understanding.

3 The proposed changes to BBC Monitoring

Introduction

24. BBC Monitoring funding used to come through Government grants to the BBC. This arrangement was ended by the Coalition as part of the 2010 Comprehensive Spending Review, and in 2013, the BBC took on responsibility for the funding of BBC Monitoring. At the time the responsibility for funding was transferred to the BBC, the annual operating budget for BBC Monitoring was £15 million. This fell to £13.5 million in 2016–17 and is due to fall even further, to only £9.4 million in 2017–18.³¹

25. The governance of the “specification, management, operation and funding” of the services provided by BBC Monitoring is set out in the BBC Monitoring Scheme which was agreed by the BBC and the Government following the transfer of funding to the licence fee. The Scheme states that:

BBC Monitoring provides its services in the public interest for the benefit of users, including contributing to the provision of news in BBC services; for the benefit of its key Government customers, who are the Foreign and Commonwealth Office, the Ministry of Defence and the Cabinet Office and the security and intelligence Agencies (“the Key Customers”); and for the benefit of other public authorities.³²

The current Scheme, is due to expire on 31 December 2016 and the Government and the BBC are currently in negotiations over its replacement.

Impact on BBC Monitoring

Funding

26. A number of our witnesses argued that the transfer of funding responsibility, and the subsequent reduction in BBC Monitoring’s operating budget, had resulted in a deterioration of the service provided. Keir Giles of Chatham House, who formerly worked at BBC Monitoring, was clear in his mind that BBC management of BBC Monitoring was pushing it “further and further into irrelevance”. Furthermore, he asserted that:

Customers such as my colleagues in Chatham House and, I hear, in Government Departments as well, are feeling the deterioration in the service as a result.³³

27. Mr Giles also pointed out that BBC Monitoring had dropped several of its service commitments as a result of cuts. These, in turn, had been picked up by the OSE under the burden-sharing arrangement between the two organisations. This, he argued, was to the detriment of the reputation of BBC Monitoring:

31 Meeting with Francesca Unsworth and Sara Beck 12 September 2016; Supplementary BBC written evidence to the Foreign Affairs Committee, ([BBC0003](#))

32 [BBC Monitoring Scheme](#), March 2013

33 Q6

The perverse situation is that, when you talk to members of the US intelligence community and ask them which products of BBC Monitoring they particularly value, they have a tendency to point to ones that BBC Monitoring has already dropped and [which] have been replaced by OSE.³⁴

General Barrons also commented that he had seen a decline in both the “span and flexibility” of BBC Monitoring and its “ability to surge” in response to the problem of the moment. He argued that this situation would be accentuated by the latest threat of cuts to the service which would have a detrimental impact on Government:

If Her Majesty’s Government decide that they want to focus on a particular major issue, they must be able to draw the resources that allow you to focus on the major issue without dropping other important tasks. The ability to do that is being slowly eradicated.³⁵

Governance and editorial priorities

28. The National Union of Journalists (NUJ) argued that the transfer of responsibility for funding had resulted in a change in the editorial priorities set down for BBC Monitoring. It stated that the focus had moved from maintaining a balance between Government and BBC priorities to supporting the BBC’s news agenda. Michelle Stannistreet, General Secretary of the NUJ told the Foreign Affairs Committee-led evidence session that there had been “a clear shift in the focus” of the work of BBC Monitoring since the change to funding arrangements:

[BBC] Monitoring and the staff who work within it have been asked and expected to contribute more and more to the BBC’s own editorial agenda. In practice, that means that on a daily basis it is not necessarily the beneath-the-surface work and information that the team at Monitoring are so skilled at—the identifying, extracting and translating—that is necessarily driving the editorial priorities of the day.

As an example she highlighted recent Twitter and Facebook feeds which now ran articles on “the launch of a Russian social media site for pets, information about scandal over a Thai pop song, how the Russian police have used a bugged samovar, or all the hoo-hah that has emanated from the Robbie Williams pop video”.³⁶

29. This position was reflected in our conversations with BBC Monitoring staff when we visited Caversham Park. Individuals told us that they were no longer able to undertake the in-depth work on the Russian military that they could have done in previous years. As an example, we were told that they would no longer be able to undertake the level of detailed coverage previously provided on the so-called *unassuming, unaffiliated soldiers* who appeared in Crimea prior to the annexation of the region in 2014. Keir Giles also highlighted the reduction in capability and asserted that BBC Monitoring was no longer able to monitor the main Defence news agency (Interfax AVN) and the Russian Ministry of Defence television station (*Zvezda*) but was instead tasked to report globally on reactions

34 Q19

35 Q61

36 Fifth Report from the Foreign Affairs Committee, *The future operations of BBC Monitoring*, Session 2016–17, [HC 732](#), Q2

to Bob Dylan being awarded the Nobel Prize.³⁷ When we met the monitors on the Russia desk in Caversham, they were working on a story about Steven Seagal being given Russian citizenship. On the basis of such examples, which can be multiplied, it seems that the popularisation—if not infantilisation—of BBC Monitoring is well underway.

30. In oral evidence, Sara Beck, Director, BBC Monitoring, acknowledged that its output was diverse but sought to reassure us that it retained the capacity to deliver open source information of value to Government:

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.³⁸

31. In addition to concerns about BBC Monitoring’s capacity to provide open source information of value to Government, questions have been raised about the BBC’s desire to continue funding that work. The year after the transfer of the funding stream to the licence-payer, the BBC’s flagship current affairs programme, *Newsnight*, broadcast what we consider to be a deeply hostile 15-minute report examining the role and work of BBC Monitoring. We screened this video report at the start of our final evidence session with the BBC to give context to our lines of questioning, and substance to our suspicion that there is a culture of hostility within parts of the BBC to its involvement in open source monitoring work to assist the Government. The *Newsnight* report questioned whether it was appropriate for the BBC to supply Government with information. Owen Bennett-Jones the reporter for the piece, commented:

Newsnight has learnt that at the highest levels of the BBC, there is concern about whether some of the work being done at Caversham is unsuitable for a public broadcaster. I understand, that as part of the Charter Renewal process, the Corporation is seeking to hand over responsibility for the parts of Monitoring that are what one source described as inappropriate for the BBC.³⁹

32. Whilst this is disturbing, Keir Giles told us that such attitudes are not new:

Ever since the end of the Cold War, when I joined BBC Monitoring, there has been a tension between the conflicting requirements of the three different main customers: Open Source Enterprise, the British Government, and the BBC. What we are seeing now is not a sudden flick of a switch, but the culmination of a long ongoing process that has been continuing over the past few decades.⁴⁰

37 Q16

38 Q157

39 *Newsnight*, 26 June 2014

40 Q23

33. Francesca Unsworth and Sara Beck, from the BBC, disputed the assertion that the BBC wished to divest itself of BBC Monitoring's work for Government. Ms Unsworth acknowledged that there was "a school of thought that says that the BBC should not be supplying Government".⁴¹ Nevertheless, under questioning, both she and Sara Beck confirmed that, in their view, there was absolutely nothing wrong with the BBC monitoring open source information at the behest of Government departments and Government intelligence agencies alike. When asked whether she thought it appropriate for the BBC to continue this work now that the licence-payer was paying and not the Government, Francesca Unsworth replied:

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.⁴²

Sara Beck agreed:

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.⁴³

34. The following exchange highlights the public position of the BBC:

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.⁴⁴

Furthermore, they claimed that this would not be affected by the change in the funding arrangements or relocation of BBC Monitoring.⁴⁵

Restructuring of BBC Monitoring

35. In July 2016, the BBC announced that as a result of cuts to its budget, BBC Monitoring would be subject to a programme of restructuring. The programme would result in the loss of around 100 jobs, the majority of which would be from UK-based teams.⁴⁶ In addition,

41 Q71

42 Q81

43 Q81

44 Q82

45 Q82

46 BBC written evidence to the Foreign Affairs Committee, ([BBC0001](#))

several teams would be disbanded and the number of language teams in the UK reduced. Reductions in staff working in overseas offices would occur but at a lesser scale than those in the UK.

36. The UK teams being disbanded include:

- the Monitoring Research Unit (which collates information for country and individual profiles);
- the Source Management Team (which identifies media sources and their affiliations);
- the Video Unit (which provides the Ministry of Defence with videos of hostilities, weapons, military and strategic infrastructure);
- the Customer Support Team; and
- the Administrative and Production Support Team.

37. In evidence, the BBC told us that the proposed restructuring would deliver:

A leaner, simpler management structure and invest in new technology to handle the new products and volume of data now required to scan the world's media. Where separate, bespoke areas worked to one user we will create integrated, multidisciplinary teams, with the relevant researchers and analysts embedded within them; and we will build a single, central News Desk to replace the current two operational hubs and to maintain quality across output.⁴⁷

However, Lord Campbell warned that the introduction of new technology must not be used as a reason to reduce the workforce:

It should be by way of enhancement of existing capability rather than, as appears at least to some of the people who work at Caversham, an opportunity to take out 99 posts compared with the present establishment.⁴⁸

38. The NUJ told us that not all of the staff from teams affected would be made redundant. Instead, they would be redistributed across the remaining teams within BBC Monitoring.⁴⁹ Their existing tasks would be performed by the monitors who, depending on their seniority and role, would be reclassified as researchers, digital journalists or senior digital journalists.⁵⁰ The BBC explained to us how this new structure would work. At a strategic level, editorial teams would be comprised of two main elements:

One will be integrated, multi-disciplinary monitoring teams, with the relevant researchers and analysts embedded within them; and the other element will be a single, central News Desk. Senior digital journalists will replace the existing analyst job. The new role will encompass more varied

47 BBC

48 Q20

49 NUJ ([BBC0006](#))

50 Q19; BBC written evidence to the Foreign Affairs Committee, ([BBC0001](#))

duties, including confident on air appearances and bylined/authored output drawing together key elements and observations from the monitored content, all of which are important aspects of an analyst's work.⁵¹

39. Of the teams to be disbanded, the Video Unit is of particular importance to the MoD, because it is the prime customer for the Video Unit's services.⁵² In the future, the Unit's functions will be incorporated into the new teams with every team member being required to scan for video. When we questioned the witnesses from the BBC on the assumption that fewer staff would be able to do the same amount of work to the same standard, Sara Beck told us that:

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.⁵³

40. However, this view was questioned by members of one of the principal teams at Caversham Park. They told us that their team had less capacity than it had two years ago, even before the proposed reduction in its numbers. Therefore, they were of the opinion that additional responsibilities were unlikely to have a positive impact on their output. However, Sara Beck sought to reassure us that any potential reductions in capacity would be offset by the fact that the corresponding overseas team was being maintained at its current size.⁵⁴

41. Such a reliance on staff abroad is a matter of concern, particularly when those staff are based in countries which are considered to be unstable or hostile. It is very unwise for a Monitoring Service to become over-dependent on overseas staff who are vulnerable to pressure. Keir Giles told us that the Moscow team, for example, operated only with the "indulgence of the Russian state authorities, which can be withdrawn at any time". He argued that this left "coverage of Russia hostage to good relations with Russia, which are not looking promising at the moment".⁵⁵

42. The experience of other organisations working in Russia provides evidence to support these concerns. At the beginning of November 2016, the Russian authorities sealed the offices of Amnesty International in Moscow.⁵⁶ In 2007, the Russian authorities closed the regional offices of the British Council in St Petersburg and Yekatarinburg.⁵⁷ When we visited Caversham, we were told that when news broke that NatWest were intending to freeze accounts linked to RT,⁵⁸ BBC management arranged to pay their staff in Moscow a month in advance in an effort to avoid the staff being placed in financial difficulty by an attempt at retaliation. When we asked the BBC what contingency planning it had undertaken to react to such a situation, Sara Beck told us that it had made provisions

51 Supplementary BBC written evidence to the Foreign Affairs Committee, ([BBC0003](#))

52 Q148

53 Q154

54 Q84

55 Q16

56 [Russia: Amnesty International's Moscow Office sealed](#), Amnesty International, 2 November 2016

57 [Russia orders British Council offices to be shut down](#), The Guardian 13 December 2007

58 [RT: NatWest to close Russian channel's UK bank accounts](#), BBC News, 17 October 2016

so that all its international staff would be able to work from home.⁵⁹ In addition, it was building additional capacity in Kiev, Tbilisi and Tashkent which could be called upon when needed.⁶⁰

43. We note that Francesca Unsworth and Sara Beck were concerned about any public reference to the work that BBC Monitoring does—and has always done—in supplying open source information to UK intelligence agencies. There is nothing secret or clandestine about such work and the way in which it is carried out. It is a measure of how vulnerable the BBC has made the Monitoring Service, by over-reliance on overseas staff, that such hyper-sensitivity is considered appropriate by its own management.

44. When we questioned Sir Alan Duncan MP, Minister of State, and Robert Deane, Head of Knowledge Management, Foreign and Commonwealth Office about the proposed restructuring, they indicated they were unconcerned by the reduction in staff,⁶¹ the increased reliance on staff abroad,⁶² and by the closure of the Video Unit. Furthermore, Mr Deane told us that the MoD was “content” with the new arrangements,⁶³ and the Minister appeared confident that the Government would receive the same level of service as before. In support of his position, the Minister told us that service levels were underpinned by the commitments contained in the BBC Charter:

This is a contract that will have quite serious and detailed performance obligations in it.⁶⁴

Mr Deane also highlighted the fact that the new agreement between BBC Monitoring and the Government would allow for Government departments to commission extra services from BBC Monitoring at additional cost.⁶⁵

45. Lord Campbell argued that BBC Monitoring would be better served by the restoration of “direct and dedicated Government funding” because it would require Government to justify that funding, “either above or below the level at which it was set”.⁶⁶ Lord Campbell concluded that this approach would also provide “proper recognition” of the fact that the work of BBC Monitoring product was “a function of national security and not of broadcasting”.⁶⁷

46. We are deeply concerned that the proposed changes will have a deleterious impact on the provision of information to the Government, and, in particular to the MoD. These changes, combined with additional budget cuts, run the risk of seriously undermining the range and quality of the service provided to the MoD and other Government departments.

47. We believe that it would be preferable for BBC Monitoring to remain under the aegis of the BBC. However, if the Corporation is determined to reduce the funding of BBC Monitoring and its expertise—to the detriment of the service provided—

59 Q87
60 Q84
61 Q188
62 Q178
63 Q172
64 Q165
65 Q165
66 Q26
67 Q26

the Government must reconstitute the organisation as a state-owned Open Source Information Agency. Only this would end the prospect of fatally damaging a service whose work for Government departments and agencies appears to sit uneasily with the prevailing ethos and philosophy of the BBC.

48. *We welcome the Government’s acknowledgement that Departments will be able to purchase additional services if they feel that they are necessary. We recommend that the Government therefore assign specific funding for the continued survival of the Video Unit which is deemed to be a vital part of the product for the MoD, but which the BBC intends to close on financial grounds and because it is of interest only to the MoD.*

Caversham Park

49. In the early 1940s, the BBC bought Caversham Park to house BBC Monitoring. That purchase was funded by the Government through a grant-in-aid.⁶⁸ In July 2016, the BBC announced that, as part of its restructuring plan, BBC Monitoring would be moved from Caversham Park to its London offices. As part of that move, both BBC Berkshire and OSE will also have to find alternative accommodation.⁶⁹

50. Francesca Unsworth explained that the rationale underpinning the move was to bring together as a “central resource” the BBC World Service and BBC Monitoring.⁷⁰ She argued that the move to New Broadcasting House would be to the benefit of BBC Monitoring staff and would offer “all sorts of opportunities” in particular to those with language skills:⁷¹

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.⁷²

When it was suggested that the BBC’s London offices were already over-occupied, this was denied and we were told that there was definitely space for the team to move as one, occupying a distinctive area as BBC Monitoring.⁷³ However, neither Ms Unsworth nor Ms Beck could give us any idea of the size of the ‘footprint’ that the Monitoring Service would have in New Broadcasting House, in contrast to the two floors at Caversham dedicated to its specialised operation.

51. One impact of the move to London would be to break the geographical link with OSE (which is co-located with BBC Monitoring at Caversham Park). Future relations would be reliant on electronic communication, such as video conferencing.⁷⁴ Sara Beck sought to reassure us that this would not be to the detriment of the relationship:

68 www.geni.com, Caversham Court & Caversham Park

69 [BBC News](http://www.bbc.com/news/uk-35814441), 7 July 2016

70 Q120

71 Q99

72 Q120

73 Q128

74 Q147

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.⁷⁵

52. However, that statement appears to be at odds with the ambition expressed by Francesca Unsworth that for BBC Monitoring to have a relationship with colleagues in the World Service, personal relationships and daily contact in order to develop trust and understanding were required. The fact that the BBC appears to place relationships with the World Service above relationships with the OSE lends weight to those who have aired concerns about a refocusing of BBC Monitoring's work away from its core role and towards supporting BBC editorial content.

53. Several of our witnesses warned us that the physical break with OSE was likely to have a detrimental effect on the relationship. Lord Campbell believed OSE would not welcome such a move:

I think their noses would be quite badly out of joint. You're quite right to refer to the closeness of the relationship. As you know, Chairman, we frequently talk about the special relationship, but certainly when it comes to intelligence the relationship is special, because the United Kingdom does not share with any country other than the United States that level of intelligence exchange.⁷⁶

54. Admiral Lord West, also warned that the move from Caversham Park, would undermine seriously, the relationship between the two organisations:

It will mean that you have not got the two organisations joined at the hip. At the moment, the US people are upstairs at Caversham. If Caversham goes, where will they be? You won't have that same closeness and linkage.⁷⁷

Lord West concluded that the combination of funding cuts, restructuring and relocation represented "death by a thousand cuts".⁷⁸

55. If, as we suspect, the serious work of open source monitoring becomes subordinate to "digital journalism", and monitors spend less time on analysis, and more time in front of the camera, we will have a significantly less valuable product to trade with the Americans. In this context, it is worth noting that President-Elect Trump has been candid about his concern that other states expect the US to pay for and guarantee their security. In March 2016, in an interview with Charlie Sykes on Newsradio 620 WTMJ, he said:

We are getting ripped off by every country in NATO, where they pay virtually nothing, most of them. And we're paying the majority of the costs.⁷⁹

56. Any move from Caversham Park will also need to take into account BBC Monitoring's technological requirements. At present, staff at BBC Monitoring access a number of large satellite dishes at nearby Crowsley Park, as well as several smaller dishes at Caversham Park, for their work. For BBC Monitoring to remain effective, alternative equipment will be

75 Q146

76 Q18

77 Q48

78 Q48

79 [Washington Post](#), 30 March 2016

required. Sara Beck told us that New Broadcasting House, or any central London location could provide “around 80%” of the required signals, using existing satellite provision and that the outstanding 20% “could be provided via other BBC locations and facilities”.⁸⁰ Francesca Unsworth added that this could be found “elsewhere around the UK”. In either event the likelihood was that Crowsley Park would become redundant.⁸¹

57. The vagueness of the future location arrangements for BBC Monitoring, in contrast to the precision of the existing specialised facilities, leads us inexorably to the conclusion that the BBC has made up its mind that the Monitoring Service at Caversham has to go, regardless of the absence of any definite blueprint for the infrastructure which will replace it. Whether this is primarily for ideological or financial reasons is unclear, but the BBC seems firmly set on appeasing the criticisms in the 2014 Newsnight attack on BBC Monitoring while trying to make money from the sale and development of Caversham Park.

58. When we visited Caversham, we were greatly impressed by the dedicated facilities and organisation of BBC Monitoring, and the fact that the layout of the building offers benefits for collaborative working on a specialised and dedicated site.

59. We do not agree with the decision to move BBC Monitoring out of Caversham Park with the resultant ending of its co-location with Open Source Enterprise (OSE). We believe that sends entirely the wrong signal to the United States at a time when the incoming US administration has voiced its concerns about the levels of burden-sharing between the US and its allies in the fields of security and defence.

60. There is a clear risk that the changes to the structure, funding and location of BBC Monitoring will have a negative impact on its relationship with the OSE. If the BBC Monitoring product no longer meets the standards of quality and quantity required by the OSE, it may seriously undermine the Government’s knowledge and understanding of political activity and events abroad, given that OSE covers 75% of the globe and currently trades its product freely with BBC Monitoring which covers the remaining 25%.

Impact on staff

61. When we suggested to Sara Beck that a significant number of staff may be unwilling to move to London, she stated that the smaller team resulting from the restructuring would be fully aware of the expectations on relocation and additional duties.⁸² Furthermore, Francesca Unsworth pointed out that some of the staff who worked at Caversham Park commuted from London and that many BBC staff who were based in London commuted from the Thames Valley.⁸³

62. While this may be correct, our recent visit to Caversham Park elicited a number of concerns from staff about the additional time and cost of commuting from Berkshire to London. One individual estimated the commute to take an hour and a half each way. This journey needs to be considered in the context of the shift patterns worked by BBC Monitoring staff, which cover a 15-hour day, 7 days a week.

80 Q131

81 Q130; Q132

82 Q101

83 Q96

63. London weighting will be available for all BBC staff required to work in central London. At present, it is worth £4,500 per annum, and is a taxable allowance.⁸⁴ We were originally told that this would match the cost of a season ticket from Reading.⁸⁵ However, a season ticket to London with an all-zones travel card, at November 2016 prices, costs £5,024 per annum. When this was highlighted to Francesca Unsworth and Sara Beck, they told us that, in addition to London weighting, the BBC had “a relocation policy” which included travel costs. However, she added that those travel costs would only be “addressed for a certain period”.⁸⁶

64. Whilst we do not wish to overplay this point, the increase in travel time and costs, alongside a lack of clarity on the move to central London, could have a serious impact on the ability of BBC Monitoring to retain its expertise. This risk was underlined by the number of staff we spoke to who told us that they would not be prepared to travel to London to continue their career with Monitoring. Indeed, a poll of staff carried out by the local NUJ indicated that at least one-third of the specialist workforce would resign their posts rather than move, or commute daily, to central London.

65. We believe that the move from Caversham Park to Central London brings with it the risk of an unacceptable loss of specialist monitoring staff. This, in turn, will force an unacceptable reduction in the scale and footprint of the operation which currently works well in a bespoke environment.

66. We were particularly unimpressed by the inability of the BBC to give any detail on its proposals to house BBC Monitoring in New Broadcasting House, which suggests that the planned changes are ill thought-through and designed in accordance with a predetermined agenda. It is simply not good enough for the Government to shelter behind the contractual undertakings given by the BBC, whilst closing its eyes to the dire consequences of what is proposed.

Proceeds from the sale of Caversham Park

67. If the remnants of the Monitoring Service are removed to central London, the BBC will no longer require Caversham Park. Neither Francesca Unsworth nor Sara Beck could confirm to us who owned Caversham Park,⁸⁷ but they told us that the BBC believed that if it were sold then the proceeds would be retained by the BBC.⁸⁸ When we raised this with the Minister, however, he suggested that the situation may not be so straightforward:

Legal ownership can become a very complicated issue; it is not just a 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 [...] 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.⁸⁹

84 Q97–8

85 Q96

86 Q99

87 Q103

88 Q114

89 Q174 For example, it has been suggested that Government permission had to be sought previously when the BBC wished to sell some of the land in Caversham Park for housing development.

68. Given that the Government gifted the necessary funds to the BBC to buy Caversham Park as the home for BBC Monitoring, it follows that, if the BBC no longer requires Caversham Park to house the monitoring operation, the land and building must be returned to the Government. There should be no question of disposing of this major asset until the issues of ownership and any attendant covenants are resolved. *We recommend that the NAO examine the original grant-in-aid provided by the Government and whether the sale of Caversham Park best secures value for money for the UK taxpayer. No matter who is the current owner of the building, the Government (and the taxpayer) should benefit from the sale. We recommend that no action must be taken by the BBC to dispose of this valuable asset until these facts are clearly established.*

69. *We further recommend that the Government should obtain and publish a legal opinion on the ownership of the building and, if necessary, issue a legal challenge against the BBC to stop it from profiting from the sale of land and buildings in effect purchased by the taxpayer and passed to the BBC for the purpose of foreign broadcast monitoring.*

4 Conclusion

70. Throughout this report, we have raised serious concerns about the previous and proposed changes to BBC Monitoring. We are clear that several of these changes bring with them, potential risks to the provision of information to our defence and security agencies. These include:

- the change in editorial focus;
- the unease, by some within the hierarchy of the BBC, spelt out in the 2014 Newsnight critique, at supplying the Government with information whilst being fully licence fee-funded;
- the 2013 cessation of Government funding for the service and the subsequent and future planned financial cuts in the service whilst it remains under the auspices of the BBC;
- the restructuring of teams to increase the requirements placed upon a smaller cohort of individuals;
- the excessive reliance on output from potentially vulnerable staff based abroad;
- the relocation to London, in respect of the welfare, conditions of service and potential resignation of one-third of the staff; and,
- the breaking of the physical link between BBC Monitoring and OSE.

71. We raised these concerns with the Rt Hon Sir Alan Duncan MP, Minister of State, and with Robert Deane of the FCO. Mr Deane stated that the agreement between the Government and the BBC would guarantee the level of the service provided and that it would reflect the needs of Government departments:

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.

72. Sir Alan Duncan added that there was an “annual process of review” under the agreement which allowed for the “reallocation or adjustment of priorities and focus, to make sure that the delivery is absolutely up to the highest standard”.⁹⁰ Furthermore, he was confident that BBC Monitoring would be able to provide the same service it had been providing up until now.⁹¹

73. The Minister was also unreceptive to the suggestion that the Government consider bringing BBC Monitoring ‘in-house’. He argued that the BBC had not been “cajoled” into an agreement to provide this service. Sir Alan acknowledged that there would have been a case for this, if there were a “Mexican standoff” between the Government and the BBC

90 Q166

91 Q171

over the service during negotiations on the BBC Charter; however, this had not happened. Rather, the BBC took on continued responsibility for this service with “a broad degree of enthusiasm and good intentions”. He argued that for those reasons, the establishment of an independent agency was unnecessary.⁹²

74. We remain deeply concerned that the proposed changes to BBC Monitoring and the cuts to its funding will have a harmful impact on the provision of information to the Government, and, in particular, to the MoD. In the current climate of world instability, this should be of great concern to Ministers.

75. Moving BBC Monitoring from its base at Caversham Park will break the link with its American counterpart, Open Source Enterprise (OSE). Such a move is short-sighted and undermines the close cooperation which has been built up between the two. It sends entirely the wrong signal to the United States about our ability to be a strong partner in the fields of defence and intelligence-gathering.

76. Furthermore, moving BBC Monitoring to London runs the risk of an unacceptable loss of specialist monitoring staff, and will lead to further reduction in the scale and footprint of its operations, with little if any financial or structural benefit.

77. We remain of the opinion that BBC Monitoring sits best under the aegis of the BBC, but only if its work is fully funded and fully resourced. Unfortunately, the BBC’s proposals will not deliver that environment. If the BBC is determined to deprive BBC Monitoring of funding, its dedicated centre of operations and its specialist staff, the Government must intervene.

78. It will have no alternative than to reconstitute the organisation as a state-owned Open Source Information Agency. Only this would ensure the continuation of a service on which Government departments and agencies depend. It is not enough for the Government to rely on contractual obligations, if the assets enabling their continued fulfilment will have been dismantled or sold before the failure to provide a first-class service becomes apparent.

79. If the recommendations contained in this Report are disregarded by the Government and the BBC, we shall not hesitate to call back Ministers and senior officials of the BBC, at regular intervals, and hold them directly to account.

80. The future health and stability of BBC Monitoring is being put in jeopardy, and we shall need to test whether the changes proposed are undermining our open source information-gathering, with serious consequences for our defence and security. Regretfully, we predict that that is exactly what will happen.

Conclusions and recommendations

Introduction

1. We fully concur with the conclusion of the Foreign Affairs Committee that the Government made a serious mistake when it ceased funding BBC Monitoring to provide it with the vital open source material upon which it relies. The decisions made concerning the funding and governance of BBC Monitoring over the past decade or so have been woefully short-sighted and catastrophically ill thought-out. A service that has the potential to be a vital tool in opening the world to UK diplomacy and business is in grave danger of becoming a hollow shell of its former existence. (Paragraph 10)

BBC Monitoring

2. The rarity of the product and the prestige of its customers underline the value of the service provided by BBC Monitoring. The world is becoming increasingly connected and information now travels at a speed never before known. It is important that the UK Government ensures that it has access to this information when planning to respond to crises abroad, whether it is political, military, humanitarian or medical. The service provided by BBC Monitoring is vital to that understanding. (Paragraph 23)

The proposed changes to BBC Monitoring

3. We note that Francesca Unsworth and Sara Beck were concerned about any public reference to the work that BBC Monitoring does—and has always done—in supplying open source information to UK intelligence agencies. There is nothing secret or clandestine about such work and the way in which it is carried out. It is a measure of how vulnerable the BBC has made the Monitoring Service, by over-reliance on overseas staff, that such hyper-sensitivity is considered appropriate by its own management. (Paragraph 43)
4. We are deeply concerned that the proposed changes will have a deleterious impact on the provision of information to the Government, and, in particular to the MoD. These changes, combined with additional budget cuts, run the risk of seriously undermining the range and quality of the service provided to the MoD and other Government departments. (Paragraph 46)
5. *We believe that it would be preferable for BBC Monitoring to remain under the aegis of the BBC. However, if the Corporation is determined to reduce the funding of BBC Monitoring and its expertise—to the detriment of the service provided—the Government must reconstitute the organisation as a state-owned Open Source Information Agency. Only this would end the prospect of fatally damaging a service whose work for Government departments and agencies appears to sit uneasily with the prevailing ethos and philosophy of the BBC.* (Paragraph 47)
6. *We welcome the Government's acknowledgement that Departments will be able to purchase additional services if they feel that they are necessary. We recommend that*

the Government therefore assign specific funding for the continued survival of the Video Unit which is deemed to be a vital part of the product for the MoD, but which the BBC intends to close on financial grounds and because it is of interest only to the MoD. (Paragraph 48)

7. The vagueness of the future location arrangements for BBC Monitoring, in contrast to the precision of the existing specialised facilities, leads us inexorably to the conclusion that the BBC has made up its mind that the Monitoring Service at Caversham has to go, regardless of the absence of any definite blueprint for the infrastructure which will replace it. Whether this is primarily for ideological or financial reasons is unclear, but the BBC seems firmly set on appeasing the criticisms in the 2014 Newsnight attack on BBC Monitoring while trying to make money from the sale and development of Caversham Park. (Paragraph 57)
8. When we visited Caversham, we were greatly impressed by the dedicated facilities and organisation of BBC Monitoring, and the fact that the layout of the building offers benefits for collaborative working on a specialised and dedicated site. (Paragraph 58)
9. We do not agree with the decision to move BBC Monitoring out of Caversham Park with the resultant ending of its co-location with Open Source Enterprise (OSE). We believe that sends entirely the wrong signal to the United States at a time when the incoming US administration has voiced its concerns about the levels of burden-sharing between the US and its allies in the fields of security and defence. (Paragraph 59)
10. There is a clear risk that the changes to the structure, funding and location of BBC Monitoring will have a negative impact on its relationship with the OSE. If the BBC Monitoring product no longer meets the standards of quality and quantity required by the OSE, it may seriously undermine the Government's knowledge and understanding of political activity and events abroad, given that OSE covers 75% of the globe and currently trades its product freely with BBC Monitoring which covers the remaining 25%. (Paragraph 60)
11. We believe that the move from Caversham Park to Central London brings with it the risk of an unacceptable loss of specialist monitoring staff. This, in turn, will force an unacceptable reduction in the scale and footprint of the operation which currently works well in a bespoke environment. (Paragraph 65)
12. We were particularly unimpressed by the inability of the BBC to give any detail on its proposals to house BBC Monitoring in New Broadcasting House, which suggests that the planned changes are ill thought-through and designed in accordance with a predetermined agenda. It is simply not good enough for the Government to shelter behind the contractual undertakings given by the BBC, whilst closing its eyes to the dire consequences of what is proposed. (Paragraph 66)
13. Given that the Government gifted the necessary funds to the BBC to buy Caversham Park as the home for BBC Monitoring, it follows that, if the BBC no longer requires Caversham Park to house the monitoring operation, the land and building must be returned to the Government. There should be no question of disposing of this major asset until the issues of ownership and any attendant covenants are resolved.

We recommend that the NAO examine the original grant-in-aid provided by the Government and whether the sale of Caversham Park best secures value for money for the UK taxpayer. No matter who is the current owner of the building, the Government (and the taxpayer) should benefit from the sale. We recommend that no action must be taken by the BBC to dispose of this valuable asset until these facts are clearly established. (Paragraph 68)

14. *We further recommend that the Government should obtain and publish a legal opinion on the ownership of the building and, if necessary, issue a legal challenge against the BBC to stop it from profiting from the sale of land and buildings in effect purchased by the taxpayer and passed to the BBC for the purpose of foreign broadcast monitoring. (Paragraph 69)*

Conclusion

15. We remain deeply concerned that the proposed changes to BBC Monitoring and the cuts to its funding will have a harmful impact on the provision of information to the Government, and, in particular, to the MoD. In the current climate of world instability, this should be of great concern to Ministers. (Paragraph 74)
16. Moving BBC Monitoring from its base at Caversham Park will break the link with its American counterpart, Open Source Enterprise (OSE). Such a move is short-sighted and undermines the close cooperation which has been built up between the two. It sends entirely the wrong signal to the United States about our ability to be a strong partner in the fields of defence and intelligence-gathering. (Paragraph 75)
17. Furthermore, moving BBC Monitoring to London runs the risk of an unacceptable loss of specialist monitoring staff, and will lead to further reduction in the scale and footprint of its operations, with little if any financial or structural benefit. (Paragraph 76)
18. We remain of the opinion that BBC Monitoring sits best under the aegis of the BBC, but only if its work is fully funded and fully resourced. Unfortunately, the BBC's proposals will not deliver that environment. If the BBC is determined to deprive BBC Monitoring of funding, its dedicated centre of operations and its specialist staff, the Government must intervene. (Paragraph 77)
19. It will have no alternative than to reconstitute the organisation as a state-owned Open Source Information Agency. Only this would ensure the continuation of a service on which Government departments and agencies depend. It is not enough for the Government to rely on contractual obligations, if the assets enabling their continued fulfilment will have been dismantled or sold before the failure to provide a first-class service becomes apparent. (Paragraph 78)
20. If the recommendations contained in this Report are disregarded by the Government and the BBC, we shall not hesitate to call back Ministers and senior officials of the BBC, at regular intervals, and hold them directly to account. (Paragraph 79)

21. The future health and stability of BBC Monitoring is being put in jeopardy, and we shall need to test whether the changes proposed are undermining our open source information-gathering, with serious consequences for our defence and security. Regretfully, we predict that that is exactly what will happen. (Paragraph 80)

Formal Minutes

Tuesday 13 December 2016

Members present:

Rt Hon Dr Julian Lewis, in the Chair

Douglas Chapman	Ruth Smeeth
Jack Lopresti	Rt Hon John Spellar
Johnny Mercer	Bob Stewart
Mrs Madeleine Moon	Phil Wilson
Gavin Robinson	

Draft Report (*Open Source Stupidity: The Threat to the BBC Monitoring Service*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 80 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 17 January at 10.45am.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 25 October 2016

Question number

Rt Hon Lord Campbell of Pittenweem CH CBE QC , and Keir Giles , Associate Fellow, Russia and Eurasia Programme, Chatham House	Q1–27
Admiral (Rtd) Rt Hon Lord West of Spithead GCB DSC , and Air Marshal (Rtd) Chris Nickols CB CBE DL	Q28–55
General (Rtd) Sir Richard Barrons KCB CBE ADC (Gen.)	Q56–66

Tuesday 22 November 2016

Sara Beck , Director, BBC Monitoring, and Francesca Unsworth , Director, BBC World Service Group	Q67–157
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	Q158–189

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

BBC numbers are generated by the evidence processing system and so may not be complete.

- 1 Commander (Rtd) Dr Steve Tatham ([BBC0001](#))
- 2 Dr Jonathan Eyal ([BBC0007](#))
- 3 Her Majesty's Government ([BBC0005](#))
- 4 Mrs Elizabeth Morley ([BBC0003](#))
- 5 National Union of Journalists ([BBC0006](#))
- 6 Sarah Hurst ([BBC0004](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2015–16

First Report	Flexible response? An SDSR checklist of potential threats and vulnerabilities	HC 493 (HC 794)
Second Report	Shifting the goalposts? Defence expenditure and the 2% pledge	HC 494 (HC 465)
Third Report	Beyond endurance? Military exercises and the duty of care	HC 598 (HC 525)
Fourth Report	An acceptable risk? The use of Lariam for military personnel	HC 567 (HC 648)
First Special Report	Ministry of Defence Annual Report and Accounts 2013–14: Government response to the Committee's Eighth Report of Session 2014–15	HC 365
Second Special Report	Re-thinking defence to meet new threats: Government response to the Committee's Tenth Report of Session 2014–15	HC 366
Third Special Report	Decision-making in Defence Policy: Government response to the Committee's Eleventh Report of Session 2014–15	HC 367
Fourth Special Report	Flexible Response? An SDSR checklist of potential threats and vulnerabilities: Government Response to the Committee's First Report of Session 2015–16	HC 794

Session 2016–17

First Report	Russia: Implications for UK defence and security	HC 107 (HC 668)
Second Report	UK military operations in Syria and Iraq	HC 106
Third Report	Restoring the Fleet: Naval Procurement and the National Shipbuilding Strategy	HC 221
Fourth Report	Exposing Walter Mitty: The Awards for Valour (Protection) Bill	HC 658
First Special Report	Shifting the goalposts? Defence expenditure and the 2% pledge: Government Response to the Committee's Second Report of Session 2015–16	HC 465
Second Special Report	Beyond endurance? Military exercises and the duty of care: Government Response to the Committee's Third Report of Session 2015–16	HC 525

Third Special Report	An acceptable risk? The use of Lariam for military personnel: Government Response to the Committee's Fourth Report of Session 2015–16	HC 648
Fourth Special Report	Russia: Implications for UK defence and security: Government Response to the Committee's First Report of Session 2016–17	HC 668