

# **SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY**

## **PUBLIC SERVICE BROADCASTING REVIEW – PHASE 2 CONSULTATION**

### **Introduction**

1. The Scottish Council for Development and Industry (SCDI) is an independent membership network, which strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity. Its membership includes businesses, trades unions, local authorities, educational institutions, and the voluntary sector.
2. SCDI welcomes the consultation and the opportunity to put forward its views on the future of broadcasting in Scotland. It further welcomes Ofcom's intention to consult on Public Service Broadcasting in the Devolved Nations and Regions. This will provide an opportunity to look more closely at the importance of PSB provision in Scotland to the economic development of our creative industries and to its role in the promotion of Scottish culture, society and current affairs.
3. In addition, the consultation will give the opportunity to reflect upon the unique position of Scotland as both a devolved nation and region. It is important that Scotland is considered as a nation, separate from the regional set-up, with its own distinct identity, and political, legal and health systems.
4. The contribution below answers a selection of the consultation questions, which we hope will help form a PSB provision for Scotland which meets the needs and expectations of viewers, but is also economically sustainable.

### **The end of the analogue PSB model**

#### **I Do you agree with our analysis that the existing PSB system will not survive the move to the digital age, and may decline before then?**

5. SCDI agrees that the evidence produced appears to show that the existing arrangements for offsetting the costs of PSB obligations with access to the analogue spectrum will be unsustainable as the value of access falls.

### **The continuing case for public funding of PSB**

#### **II Do you accept that public funding for PSB continues to be justified as we approach switchover, and should remain broadly at a similar level to that provided today?**

6. SCDI believes that viewers in Scotland should continue to be provided with additional PSB to that provided in England, but accepts that this has funding implications. Any greater requirement placed on broadcasters in Scotland would have to involve additional funding to ensure that they are not placed under increased financial pressure in comparison with English counterparts. This would include funding the

additional costs of producing more regional programmes, as well as the lost revenue costs of lower advertising caused by regional programmes generally receiving fewer viewers.

7. This funding is vital to ensure continuing provision of programmes which would not be provided by the market. This accounts for a large amount of regional programming, which with higher costs and lower viewer numbers, represent opportunity costs, but continue to be seen as important to society. Gaelic language programmes are an example.

### **III Is plurality vital to the future of PSB?**

8. Whilst the BBC should be the cornerstone of PSB provision, SCDI believes plurality is essential to provide effective competition. Competition is ultimately what will drive innovation in broadcasting, and ensure a wide range of quality programmes for viewers.

### **The BBC**

#### **V Do you agree that the BBC should remain the cornerstone of PSB, but that there ought to be mid-Charter review and a clarification of the roles of governance and regulation?**

9. SCDI agrees with the view that the BBC should remain the cornerstone of PSB, but that it should be one of several sources. ITV1 currently produces more regional output than the BBC. Although the BBC spends more on regional programmes, it has fewer output hours. As funding (explicit and implicit) changes so should this balance.

### **ITV1**

#### **VII Do you think we have judged ITV1's PSB role correctly, both in the short term and the longer term?**

10. SCDI believes that ITV1 can be one of the main players in the delivery of PSB which has a level of plurality. This plurality can also be delivered by Channel 4 and Five.

### **Programming for the Nations and Regions**

#### **XI Do you support this long-term vision of programming for the nations and regions?**

11. SCDI agrees with the vision of a shared responsibility between BBC and ITV1, a new range of innovative local TV services, and a sustainable future for Welsh language and Gaelic services. With relatively low viewing figures and a relatively high obligation, Gaelic programmes represent a huge opportunity-cost to Scottish broadcasters. Future PSB provision provides the opportunity to develop a digital-age solution to the problem of Gaelic provision, perhaps by way of a Gaelic channel. In the future SCDI would advocate considering whether the ITV1 licensees in Scotland could work more closely together, believing that the digital age offers opportunities for nation wide broadcasting for some items, alongside a more localised approach for items such as news, which require a more local dimension. Scotland-wide news can

be too central-belt focused and viewers in other parts of Scotland would welcome the opportunity to see news from their community.

**XII Do you support our specific proposals for the future of regional programming on ITV1?**

12. Whilst acknowledging that it will no longer be possible to enforce such high PSB obligations as currently enjoyed, and therefore accepting that regional non-news broadcasting be cut to 1.5 hours per week in England, SCDI calls for support to ensure that the same level of cut is not seen in Scotland. Scottish viewers currently receive two hours a week of Gaelic broadcasting alone. Broadcasters will require support if this level of service is to be continued.
13. In terms of out-of-London production, SCDI supports the proposal to raise quotas. This would encourage a wider dispersal of the wealth creation opportunities, and would be of great support to the Scottish Creative Industries which are of importance to the Scottish economy. Scottish material being broadcast network wide would help fight the high cost of producing purely regional material. There is also a need to reflect Scotland in network programming, but SCDI would urge this to be done without a reliance on Scottish stereotypes, which can be damaging to Scotland's image.

**XIII What do you think a sustainable mode for PSB in the nations would be?**

14. SCDI believes that the sustainability of the PSB model in Scotland would be greatly increased by the development of Scotland-wide broadcasting. Each ITV licensee could continue production of non-news programmes and could show its own and the other licensee's. This would allow Scotland to maintain higher PSB provision than that of the English regions.

**Production**

**XIIIb Do you think this is the right approach (to production)? What issues should we take into account in judging whether further action is needed in 12 months' time?**

15. SCDI would welcome any support for smaller independent producers, with consideration also to be given to those outside London.

**A PSP**

**XV Is the idea of a PSP one worth pursuing? If so, what form should the new service take? How should a PSP be awarded?**

16. SCDI welcomes the attempt by Ofcom to provide innovative proposals for the digital age. However, caution should be exercised in order to ensure that the future PSP has a regional dimension. An option to be considered could be ring-fencing some of the proposed funding for programmes to be broadcast by the ITV1 licence holders in Scotland.

**XVI What do you think the best source of funding would be?**

17. Believing that PSB is a matter for Government, SCDI supports funding for the PSP being generated from general taxation. This method would mean that there would be no need to split the licence fee between the BBC and other organisations. Nor would it act as a barrier to entry into TV broadcasting, as a turnover tax on broadcasters would.

**Tracy Walker**  
**Public Policy Officer**  
**Policy Unit**  
**Scottish Council Development and Industry**  
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