

Meeting of the Ofcom Advisory Committee for Scotland held at the Ofcom Scotland Offices, 125 Princes Street, Edinburgh

Tuesday 27th November 2018 – 10.30-15.30

Present:

Liz Leonard – Chair ACS
Ian Mackay – ACS
Carmel Teusner – ACS
David Connolly – ACS
Laura Anderson – ACS
Amanda Britain – ACS (Consumer Panel Member for Scotland)

Glenn Preston - Ofcom
Jonathan Ruff – Ofcom
Diarmuid Cowan – Ofcom
Emma McFadyen – Ofcom (by VC)
Sally Jones – Ofcom (by VC) (for agenda item 6)

1. Welcome and apologies

1.1 Bob Downes, Katie Pettifer and Jacqui Gregory sent their apologies.

2. Members interests

2.1 Ian Mackay noted his role as Board member of Critiqom, a provider of mailing and postal services to the public and private sectors.

3. Minutes of previous meeting

3.1 Minutes of the previous meeting were approved with a number of small amendments. It was agreed that some training for ACS members would be provided over the coming months (on consumer, telecoms and spectrum issues).

Action – GP to arrange training sessions for ACS members

4. Matters arising

4.1 There were no matters arising.

5. Director's Report

5.1 GP provided an overview covering the Ofcom Board visit, including the CEO's meetings with Scottish Ministers. DC noted it was a positive event where he had managed to speak to number of key broadcasting stakeholders.

5.2 GP then highlighted publication of Ofcom's first annual report on the BBC's performance and the announcement of a thematic review into the BBC's news and current affairs output, which would come to the ACS in due course. LL noted that the June 2019 meeting could usefully focus on media/news consumption, with invitations to the Heads of News at STV, CH4, and BBC.

5.3 The committee went on to note developments in local TV, on EPG prominence, Ofcom's appointment of a new MG ALBA Chair and changes in the commercial radio landscape in Glasgow

with Nation Radio entering the Scottish market. DC noted there may be merit to appointing an ACS member with a radio background at future recruitment rounds.

5.4 In response to a short discussion on the ongoing implementation of Ofcom's USO and the Scottish Government's R100 programme, IM noted concerns that they may still not deliver for rural communities and the ACS agreed it may wish to make further representations on this at an appropriate point. JR and GP highlighted ongoing work on geographic differentiation and mobile auctions (including Scotland-specific geographic coverage targets) could have a positive impact.

5.5 GP noted developments and activity in respect of parcel surcharging, including a Scottish Government led initiative called "Fair Delivery Day". GP also highlighted the recent publication of Ofcom's most recent Annual Monitoring Update on the Postal Market.

5.6 IM expressed concerns about a Royal Mail wholesale price increase of 11% with a potentially serious impact at the retail level. It was agreed it would be helpful to have a better understanding of this issue and it should be considered at a future meeting. GP confirmed the Ofcom Board had recently agreed postal issues should take a greater priority as part of Ofcom's Annual Plan process and this could be reflected in Advisory Committee agendas.

6. General Policy and Political Update

6.1 SJ noted issues with coverage data from EE and Vodafone (respectively overstating and understating coverage) that had been used in previous Connected Nations reports, with formal investigations ongoing. SJ then highlighted developments in Ofcom's work to improve mobile coverage, including proposals relating to spectrum sharing, with a consultation expected to be published before Christmas.

6.2 SJ went on to explain the continuing public debate on online regulation, with Ofcom's CEO and Chair having recently provided evidence as part of a general session with UK Parliament's Select Committee on Digital, Culture, Media and Sport. The committee was expected to publish a report on fake news before the winter break, with the UK Government likely to publish an internet regulation White Paper in the new year.

7. Presentation from Channel 4

7.1 The ACS was joined by Briony Robinson, Deborah Dunnett, and Ciaran Jenkins from Channel 4. A general discussion followed covering the expansion of Channel 4 in Glasgow following announcement of the new creative hub, ongoing engagement with independent production companies and Screen Scotland, spend and news and current affairs provision with an increased prominence of Scottish stories across the UK.

8. Made out of London review update

8.1 Ofcom colleagues provided an update on progress of Ofcom's review of regional programming guidance. LA responding by saying a few points stood out such as lack of consequences for those not meeting the existing criteria and clarity about how any new complaints and enforcement processes would work in practice. There was a general discussion about whether root causes of problems in this area – including behaviour and culture – were being adequately addressed. The committee agreed with Ofcom colleagues that the provision of more data and transparency would be critical to the success of revised guidance.

9. BBC Scotland

9.1 Ofcom colleagues provided a verbal update on responses that had been received to the consultation to vary the BBC's Operating Licence to reflect the new channel. These had resulted in a refining of proposals, which Ofcom would aim to publish in January (ahead of the channel's launch on the 24 February) and would likely cover four areas:

- Clarifying how the BBC Scotland channel (and BBC ALBA) programming should be treated in relation to requirements for programme-making in the nations and regions.
- Setting out how programmes co-commissioned by different BBC television services should be treated for the purposes of considering certain quotas.
- Removing all references to the BBC Two Scotland opt-out service from the Licence, to reflect that this service will discontinue when the new channel launches
- Imposing additional licence requirements. These would ensure that: at least 250 hours of news content is broadcast on the channel during peak viewing time; 75% of the output consists of original productions; and at least 90% of first run originations on the new channel are made in Scotland (this had been revised down from 95% following representations from the BBC and others).

9.2 The ACS noted the proposals and agreed they would return to them when the channel had bedded down. GP noted the channel would become part of Ofcom's assessment of the BBC's overall performance, although Ofcom would only really start to understand how the new channel's licence conditions were being addressed in the autumn of 2020 after a full year of operation.

10. Localness on Commercial Radio

10.1 The ACS discussed Ofcom's recent Statement on localness on commercial radio and its further consultation on approved areas in Wales and Scotland. DC also provided a summary of recent Radiocentre research on community radio, which he felt was seriously flawed in a number of respects.

10.2 The committee was concerned Ofcom's proposals put localness at risk. It was felt there was a need for a substantive review of radio (with new research), with community radio for e.g. increasingly acting like commercial entities but benefitting from tax breaks, etc.

10.3 The committee also noted its concern with FM licensing (available only to community and not commercial operators) and the transition to DAB (where Scotland continued to be a few percentage points behind the UK in take up). In discussion it was suggested that Ofcom should consider making FM licences available to commercial operators, exploring if these could be set at c. 3 years with provisions requiring operators to plan to move to DAB thereafter.

11. Connected Nations

11.1 Ofcom colleagues provided the ACS with an update on the Connected Nations project with the UK and Scotland reports due to be published before Christmas. In discussion the committee noted (not for the first time) the Ofcom classifications of urban and rural were different to those used by public bodies in Scotland. While accepting the Ofcom definitions allowed for comparisons across the UK, there remained a case for a separate exercise applying the Scottish Government's definitions of rural in particular to see if this provided additional insight to the challenges being faced in Scotland.

11.2 The ACS also questioned the usefulness of the data to consumers. Ofcom colleagues noted it would be available in a new format (Microsoft Power BI), which would bring the data alive in a way that it had not before and allowing consumers and other third parties to manipulate it in a way that suited their interests and uses

12. Brexit Update

12.1 DC presented a paper on Brexit. The ACS discussed the preparations Ofcom has made for Brexit and its potential outcomes and there was a brief discussion about Ofcom's continued engagement with EU and other international regulators.

13. Consumer Panel

13.1 AB led a discussion on access research, which had relevance to the earlier agenda item on EPGs and which highlighted a range of social justice, equality and diversity issues.

13.2 AB went on to highlight the Panel's work on and interest in Quality of Service and the feeling Ofcom's Annual Plan was too light in this area. The Panel had also responded to two consultations on mobile handsets and vulnerable consumers. They remained of the view that communications providers were not delivering with disabled and other vulnerable consumers being asked to speak to operators with a refusal to engage with family or other representatives trying to provide support to resolve problems.

14. AOB

14.1 The ACS noted data that seemed to suggest nuisance/ unsolicited calls were on the increase again. There were particular concerns about scams relating to publicly subsidised schemes (e.g. boiler scrapping). The Ofcom Scotland team agreed to look at the data and confirm whether the problem had worsened again.

Action – JR to follow up.

14.2 LL noted this would be IM's last meeting and thanked him for his service on the ACS. IM noted this was one of the non-executive roles he had enjoyed most and praised the quality and dedication of the Ofcom executive.

14.3 LL confirmed the next meeting of the ACS would take place on the 14 March 2019.