

Channel 3 and Channel 5 licence renewals

A submission by the Ofcom Advisory Committee for Scotland

Q1 Do you agree that the existing obligations on Channel 3 and Channel 5 licensees in respect of national and international news and current affairs, original productions, and Out of London productions should be maintained at their current levels? If not, what levels do you consider appropriate, and why?

Ofcom's evidence indicates that existing PSB obligations on both C3 and C5 are generally met and sometimes exceeded. While C5 sometimes struggles with its obligations, ACS notes that it reaches a higher proportion of viewers from the DE socio-economic group through its 17.00 news bulletin than any of the other main bulletins.

There has been a steady decline in the percentage of relevant content meeting quota requirements and sometimes quantity is traded off against quality. For instance, C3's *Nightscreen* is a low-cost overnight programme. In Scotland, this comprises a static shot of a Scottish scene, coupled with programming information. High-value C3 content, such as *Coronation Street* or *Emmerdale*, does not specifically serve the Scottish audience.

Q4. Do you agree with the proposals by STV to maintain overall minutage for regional content in the northern and central licence areas of Scotland at 5 hours 30 minutes a week, as detailed in Annex 3? If not, what alternative would you propose, and why?

Given that both STV Central and STV North have consistently broadcast higher levels of regional programming from 2005–2011 than required by the licences (Figure 2), ACS agrees with the proposal to maintain overall minutage. STV's *Scotland Tonight* (30 minutes, transmitted 4 nights per week) is evidently a popular addition to the schedule.

Q7 Do you have any views on any other aspects of the nations and regions programming and production obligations of the Channel 3 licensees?

Local TV licences are entirely distinct from those pertaining to C3. That said, it will be important in future to monitor how the requirements of local TV licences impact on STV's regional programming, given that STV will be operating the Edinburgh and Glasgow licences and may well seek other local TV licences in Scotland. The impact could be positive if it expands the level and quality of newsgathering and regional programming and negative if STV does not use this resource to enhance existing quota obligations.

ACS considers that depiction of Scottish regional differences on TV has diminished due to market consolidation. Representing such differences is a challenge and it remains to be seen whether diverse local TV licence awards might accomplish this aim.

Please also refer to the answer to Q.10, which has points relevant to Q.7.

Q8. Which option would you prefer in respect of the news and current affairs in the Border region, and why?

After carefully reviewing the evidence and due deliberation, ACS favours Option 2. While Option 1 serves to address the local problem of the Borders, it does not address a wider set of issues – regional diversity within Scotland and the plural provision of pan-Scottish news.

Ofcom's own research on regional news programming in the Borders (Figure 5), reported that 'The current ITV Border/Tyne Tees footprint was considered (by consumers) too large, reporting news from areas in which viewers claimed to have little or no interest.' Specifically, the *Lookaround* programme was considered to 'skew its reporting towards the urban centres of Newcastle...and (for some viewers in the South of Scotland) to Carlisle'. Research participants wanted 'regional news delivered from the smallest possible geographical footprint, aligned as closely as possible to what they define as their region'.

Recognising the considerable internal diversity of the Scottish part of the Border TV region, ACS notes evidence of the need for 'more coverage of local'. Moreover, it also notes the opportunities that Option 2 provides of greater plurality in regional and current affairs provision through an extra 90 minutes' programming per week. ITV's concern that Option 2 would be disproportionately expensive (par. 4.23) could be addressed by scheduling STV's *Scotland Tonight*. This would also address the clear sense of pan-Scottish identity that co-exists with strong localisms, indicated by Ofcom's research on Border TV audiences. In conclusion, under Option 2 Border TV's Scottish viewers would have more choice of local, regional and Scottish national programming.

Q9 If option 2 were to be adopted, should ITV be required to provide separate transmission for the Scottish and English parts of the region on DTT?

The proposed changes affect populations on both sides of the border and it would be wrong to correct Scotland's disparity at the expense of English viewers. It is also unrealistic to expect to be able to satisfy everyone, given that the English part of the region extends as far south as Kendal and Sedbergh, whose residents clearly think of themselves as English, and as far north as Carlisle. Ofcom's research in Penrith, 20 miles south of Carlisle, showed residents had a 'natural affinity' with Southern Scotland. Taking this undoubted diversity into account, a separate transmission for each of the Scottish and English parts of the region would greatly increase Ofcom's stated aim of 'enabling viewers to engage fully in democratic purposes'.

Q10. If you would prefer a different option to those set out in Questions 8 and 9 above, please explain what, and why

Ofcom's Section 229 report, presented to the Secretary of State in May 2012, stated that the current proposals under discussion were 'realistic, sustainable and

commensurate with current levels of delivery'. The report included a third option, which has not been addressed in the current consultation:

'Auctioning a new all-Scotland licence in place of the existing licences held by STV and the area of southern Scotland currently covered by the Border licence.'

This position was also recognised in Ofcom's last PSB review in 2008 in which it was stated:

'Any Channel 3 PSB licence after 2014 would be likely to cover the whole of Scotland – the Scottish part of the Border region would be incorporated within an all-Scotland service, possibly regionally split into North, Central and Borders.'

The Secretary of State for Culture, Media and Sport, in her letter to Ofcom in November 2012, noted that 'the quality and plurality of news provision was of the utmost importance' for viewers in the south of Scotland.

The Secretary of State has not proposed the third option be considered. However, it might be seen as the most logical option, particularly given the likely approval of a Wales-only licence. The Section 229 report (par. 4.17) discussed 'equivalent obligations (with regard to plurality of news and current affairs content) applying in Scotland, Wales and Northern Ireland'. If the Wales-only licence is given the go-ahead, this makes the lack of a pan-Scottish C3 licence increasingly anomalous and open to criticism for not meeting plurality obligations by providing Scotland-wide competition to the BBC.

Ofcom already notes in its consultation (par. 3.12) that STV exceeds its quota obligations to a greater extent than ITV. If there were to be a pan-Scotland C3 licence and STV were to be successful in securing that licence, it would be relatively easy to further regionalise STV's *News at Six* to provide a southern Scotland edition or editions. ACS considers that any such licence extension should carry the obligation to ensure further regionalization of coverage. This option would ensure pan-Scottish competition for the BBC. There is a concomitant risk, however, already noted by ACS in another submission, that STV could achieve too much dominance in the Scottish commercial TV sector now that the company has been awarded the local TV licences for Edinburgh and Glasgow, as noted above, and might seek a further extension of its footprint in local TV. However, the question of dominance in the market is a separate issue that would have to be considered when awarding any pan-Scottish licence. It is quite distinct from any decision as to whether such a licence should be created in future, which is the view favoured by ACS. Although the present consultation rules this out, ACS considers that Option 3 should have remained open to consideration.

Q12 What views do you have on the proposal by STV and UTV to extend peak time to 11pm, which would extend the window in which they could schedule regional content that must be shown in peak time?

The concept of peak time is observed identically throughout the networked TV offer in the UK and any derogation from this within a particular regional market is likely to sow confusion. It also carries the risk of watering down the observance of PSB

obligations by broadcasters managing their schedules in line with the maximization of audience revenues.

Ofcom Advisory Committee for Scotland
28 April 2013