

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

Wednesday, 14 June 2017

Present:

Laura Alexander – Chair ACS
Ian McKay – ACS
Liz Leonard - ACS
John Trower – ACS
Peter Peacock - ACS
Philip Schlesinger – ACS (Content Board Member for Scotland)

Alan Stewart – Ofcom
Jonathan Ruff – Ofcom
John Jackson – Ofcom

Action

1. Welcome and apologies

1.1 Glenn Preston and Amanda Bryan sent their apologies for this meeting.

2. Minutes of the previous meeting of 12 April, 2017

2.1 Several minor amendments were suggested. The committee voiced its approval for the new, concise style of the minutes.

3. Matters arising

3.1 No issues were raised by those in attendance.

4. Director's Report

4.1 JR highlighted some of the key meetings and events for Ofcom Scotland since the last ACS meeting. The intention was for the Cross-Party Group on Digital Participation to focus on key consumer issues and to host a reception at the Scottish Parliament. JR also updated ACS on the process for the appointment of a board member for Scotland.

4.2 Under 2.3 of the paper, LA referred to the capacity of Uber to collect data on mobile coverage. JR advised ACS of the laying of the Ofcom Annual Report at the Scottish Parliament, in the context of the new MoU. JR gave details of the forthcoming Mobile Summit on 29th June. There were some places available for ACS members and JT expressed an interest in attending.

4.3 AS referred to section 6 of the paper and updated ACS on the approval of MG Alba's Operational Plan. A meeting with MG Alba was scheduled for Stornoway on 22 June in the context of broader Gaelic stakeholder engagement..

- 4.4 Under 6.2 in the paper, PP queried the platform given to political parties who were only standing in a limited number of seats. ACS queried whether Ofcom was now seeing issues arising resulting from the changes to the rules in the Broadcasting Code which they had already commented on. AS offered to look into providing a report to show ACS the kinds of complaints about issues in Scotland Ofcom had received during the General Election period.
- 4.5 AS updated ACS on STV's local TV licences and STV. The intention was to engage with STV on local TV licence compliance. AS had also circulated STV's Statement of Programme Policy.
- 4.6 JT raised the issues faced by Isles FM in the context of a failure of technical support available to the station.
- 4.7 IM referred to the potential of the Ofcom Edinburgh office for hosting effective events for stakeholders, for example to coincide with the Edinburgh Festival.

5. Content Board

- 5.1 PS provided members with a short verbal update from the most recent meeting of the Ofcom Content Board which was held on 6 June.
- 5.2 Some of the key topics discussed, included:
- An update on Ofcom's advice to the Secretary of State for Culture, Media and Sport regarding the proposed merger between Twenty-First Century Fox, Inc. and Sky plc.
 - BBC regulation and the extent to which the new BBC Scotland channel was a 'test' for Ofcom's new regulatory responsibilities.
 - Channel 4 relocation and the perceived lack of interest from locations in Scotland.
 - Awareness of data security, including a suggestion to include this as a key theme in next year's Communications Market Report.

6. Consumer Panel/ACOD update

- 6.1 Members were provided with a short verbal update on the recent activities/work of the Communications Consumer Panel ("CCP").
- 6.2 Some of the key topics covered, included:
- Overview of the key Ofcom projects for the CCP, including the consultation on proposals to reform switching of mobile communications services and the consumer engagement Call for Inputs
 - The CCP and ACOD's response to the Committees of Advertising Practice consultation on speed claims in broadband advertising.
- 6.3 JT asked if he could receive a short briefing note on Privacy Data given his interest in the work of a Glasgow based digital marketing company.

6.4 LA asked if she could receive additional information on the CCP's position regarding Ofcom's Quality of Service report.

7. Scottish Government Consumer Taskforce

7.1 JR sought ACS's comments on the draft letter which had been drafted with input from PP. The consensus was that it was a good letter requiring only some nuancing. ACS also discussed informing the CCP about developments in this area.

8. TV Returning Activities as part of the 700MHz clearance programme

8.1 The team provided Members with an update on the changes taking place to the TV transmission network in the North of Scotland in 2017. This included a discussion of:

- the impact it will have on viewers and what steps they will need to take;
- details of the support available to viewers;
- lessons learned from the early clearance exercise in Selkirk in March 2017; and
- timescales for changes taking place across the rest of Scotland.

8.2 The team advised that there will be changes to the frequencies used by TV broadcasting in the Highlands and Islands of Scotland from late July to early October. Annex 1 of the attached paper set out the timescales for when frequencies are planned to change at each of the main transmitters in Scotland by year quarter.

8.3 Members were advised that most viewers will only need to retune their TV sets, although a few many also need to replace their aerials. Digital UK has estimated the numbers to be between zero and 235 households.

8.4 The team also explained that support for viewers will be provided throughout the retuning process. The early clearance event in Selkirk provided reassurance that the methods of communication planned to be deployed in the remainder of 2017 is effective and that the number of households needing to replace their aerials is likely to be lower than predicted.

8.5 The team explained that the frequency changes in the rest of Scotland will be carried out in the second half of 2018 and the second half of 2019.

8.6 LA commended the team on an excellent paper and welcomed the offer of an update in due course.

9. Communications Market Report 2017 Update

9.1 The team updated the ACS on the progress of the CMR. There were questions about DAB radio car listening, and comparing Scotland to the other nations in regards to internet usage, post spend and PSB viewing.

- 9.2 JT raised the point that the definition of rural and urban should be clearer as the Scottish Government have a definition that is well known in Scotland. To enable comparison and avoid confusion Ofcom should make clear how it was defining rural in particular.
- 9.3 LA sought clarification that the Ofcom Mobile Research app was still android only; the team confirmed it was.
- 9.4 JR asked if they had differentiated between broadband take up and speeds. CMR team confirmed that this would be made clearer in the CMR – the CMR was taking a narrative based UK approach, more detailed technical information would now appear in the Connected Nations report.

10. Scottish Government Digital Strategy, Mobile Action Plan and R100 Programme

- 10.1 The presentation covered “the superfast gap”; the SG’s cost modelling approach; market overview and engagement; the SG’s approach; the timeline and alternative funding available for provision in rural areas.
- 10.2 In response to questions from IM, the SG representatives advised of the importance of the procurement process in determining which areas would not be served by the market. Voucher schemes could also play a part.
- 10.3 JT raised the issue of funding technologies which had a limited lifespan, requiring further intervention further down the line. JT also asked about investing in ducts and fibre. In response, ACS was advised the SG was taking a long-term view to help facilitate the roll-out of fibre.
- 10.4 Speed requirements based on current NGA criteria and quality of service would be built into the procurement. There would be scope to withhold funding if there were issues around quality of service. The provision to very remote areas would be demand-led to an extent with satellite likely to play a part. SG were also looking at an “outside in” approach and there would be a benchmark for cost.
- 10.5 ACS discussed the situation in respect of mobile broadband provision which some consumers may prefer. Investment in backhaul would also benefit mobile. The potential use of other networks such as electricity was discussed. There were regulatory obstacles to overcome in that area. Other issues included delivery by Openreach and what role it could play in the migration to fibre and the part that would be played by the implementation of the USO.
- 10.6 ACS expressed its appreciation for the presentation.

11. BBC Performance Consultation

- 11.1 The team gave a short presentation on Ofcom’s remit regarding the BBC, how we intend to measure them against each performance metric and the role of audience research.

- 11.2 This was followed by a few short questions on use of BBC Trust research, the development of the operating licence and the consultation statement timelines.
- 11.3 LL then queried the difference between UK and Scottish channels and the level of regulation placed on them, specifically those that stimulate growth in local creative industries. It was followed by a discussion of the historical position of nation programming, the differences between TV and Radio and Ofcom's intent with the draft operating licence.
- 11.4 PS questioned the way Ofcom had presented its responsibilities, stating that they could be framed in a much more positive manner. JH responded that the phrases all come from our previous work, economic and competition terminology.
- 11.5 IM questioned the approach Ofcom had taken in terms of growth of the BBC and competition. JH acknowledged the point and responded that performance regulation was entirely new for Ofcom and that is reflected in recent appointments. She added that the government have defined the role of the BBC and it's up to Ofcom to ensure the BBC (as a public service media provider) provides public value, but still leaves space for competition in the market.

12. General Policy/Political Update

- 12.1 MS provided Members with an update on the key UK Government and Parliamentary developments since the last ACS meeting in April. However, he acknowledged that the paper was written and submitted prior to the General Election which took place on 8 June 2017.
- 12.2 MS explained that the Digital Economy Act received Royal Assent on 27 April. The Act provides for the following:
- Every household has the legal right to request a fast broadband connection
 - Consumers and businesses to receive better information about communication services and easier switching
 - Automatic compensation for when things go wrong
 - Cuts on costs for new infrastructure and the simplification of planning rules
 - Stronger enforcement of direct marketing laws
 - Civil penalties for online pornographers who do not verify the age of their customers, and ISP level blocking of non-compliant sites
 - A requirement on mobile network operators to offer bill capping
- 12.3 MS also provided Members with an overview of the manifesto commitments relating to Ofcom's remit, particularly in the areas of mobile coverage, broadband rollout, broadcasting and internet policy.

13. AOB

13.1 The recruitment of the Ofcom Board Member for Scotland, future meetings and the use of 'Ofcom Scotland' came up. JR confirmed that Ofcom Scotland is an internal team name, much the same as Consumer Policy.

13.2 Amanda Bryan has resigned from the ACS due to pressure of other commitments. In her absence, the ACS thanked her for her valuable contributions during her time on the committee.

14. Dates of Future Meetings

14.1 ACS members were advised that the next meeting would take place on 14 September 2017.