

BBC Scotland channel – how Ofcom’s assessment works

Earlier this year, the BBC announced its plan to launch a new television channel for Scotland in Autumn 2018.

The BBC Board has now concluded the proposal satisfies public interest requirements and submitted its conclusions to Ofcom. To ensure fair and effective competition is protected, we must now make our own assessment of the BBC’s plans.

This factsheet explains how we will do so, the possible outcomes from our work and the timetable we will follow.

What is the BBC proposing?

The BBC has proposed to launch a new television channel in Scotland next autumn.

The new channel, *BBC Scotland*, will have core broadcast hours every day from 7pm until midnight. The channel will broadcast from midday to allow broadcasting of live political and sporting live events and other ad hoc events when required. A BBC Two simulcast will fill the schedule between and around these events and 7pm. BBC Scotland would be available on each of the main terrestrial, cable and satellite platforms in Scotland and via iPlayer in the rest of the UK.

The BBC’s plan for the channel proposes:

- A programme budget just over £32 million per full year;
- A news programme (shown at 9pm on weekdays) covering “international, UK and Scottish stories, told from a Scottish perspective” with shorter bulletins on weekends;
- Some programming previously shown on BBC Two Scotland;
- New programmes that reflect Scottish life including the opportunity to premiere some new comedy and drama; and
- Repeats and archive programmes. The BBC states that around 50% of shows on the channel will be repeat material.

In addition, if the channel is approved:

BBC Scotland would take the place currently occupied by BBC Four on electronic programme guides in Scotland. BBC Four would move to a different slot in Scotland, while services in the rest of the UK would be unaffected.

Separate programming shown only shown on BBC Two in Scotland would end. BBC Two viewers in Scotland would instead see the same programmes as viewers in England.

Eighty new journalism posts would be created to support BBC Scotland’s news operation, also resulting in a new Gaelic weekend news bulletin on BBC ALBA.

What has the BBC done so far?

Before the BBC can introduce material changes to its TV, radio and online services, it must examine the potential positive and negative results of doing so. This assessment is known as a ‘public interest test’.

As part of this work, the BBC must be satisfied that the proposals promote its public purposes, that reasonable steps have been taken to ensure the change has no unnecessary adverse impact on fair and effective competition and that the public value of the initiative justifies any impact on competition.

On 30 November 2017, the BBC published its completed assessment on its website.

What is Ofcom's role?

Ofcom has a legal duty to review the BBC's proposal, including its public interest test, and carry out our own assessment of the BBC's plan for a new television channel in Scotland to decide if it should be allowed to proceed in the form which the BBC has proposed.

The question which we must now consider is whether 'the public value of the proposed change justifies any adverse impact on fair and effective competition'.

We will conduct our assessment in two phases.

In the first phase, which we must complete within six weeks, we will decide if we agree with the BBC's view that its proposal represents a 'material' change to its public services. Because it involves the launch of a new TV channel, our initial view is that it is.

Our main focus in the first phase, therefore, will be to decide what type of second-phase assessment we should do (see below), and whether the BBC's public interest test contains sufficient information to enable us to do so. We must also be satisfied that the BBC conducted its public interest test in a way which gave stakeholders sufficient opportunity to provide their own information and feedback on the proposals.

We have today published an 'invitation to comment' on our website providing stakeholders with an opportunity to give their views on the BBC's public interest test and how we should proceed.

We will publish our letter to the BBC setting out the conclusions from our first-phase assessment on our website before 11 January 2018.

What kind of further assessments can you decide to do in phase two?

There are two types of assessment we could undertake in phase two.

The first type is called a BBC Competition Assessment or BCA. We will do a BCA, which can take up to six months, if we decide the BBC's proposal raises large, complex or particularly contentious issues.

The second type is called a Shorter Assessment. We will generally conduct a Shorter Assessment if we think the BBC's proposal involves a more targeted set of issues, which we would expect to resolve in a shorter period.

In either case we will analyse the case put forward by the BBC, conduct market research of audiences in Scotland and seek the views of stakeholders who may be affected by the BBC's plans. We will explain which type of phase two assessment we will do and why at the end of phase one.

What conclusions could you come to at the end of a BCA or Shorter Assessment?

At the end of a BCA, we will allow the BBC to launch a channel if we decide the public value of the BBC's proposal justifies any potential adverse effects on competition. We may impose certain conditions on the BBC if we think they are necessary to mitigate likely negative effects on competition.

If, however, we decide that the public value is not sufficient to justify the likely negative effects, we could either reject the BBC's proposal outright, or invite the BBC to reconsider its proposal before resubmitting it to us for further review.

Can you propose changes to increase public value?

Unlike the former BBC Trust, Ofcom has no role in setting the strategy of the BBC. This means that it is for the BBC Board rather than Ofcom to decide what the proposed Scotland channel's goals should be and how it meets them.

However, we will critically review the public value which the BBC anticipates the new channel would have. If there is convincing evidence that particular types of programming generate value, we will say so. Likewise, we may highlight any weaknesses within the BBC's analysis about the scale of public value to be generated.

How can I take part in your assessment?

We have today published an 'invitation to comment' asking stakeholders for their initial views on the BBC's public interest test and the type of further assessment we should undertake in phase two of our assessment. Because we must complete phase one by 11 January 2018, the deadline for responses to our invitation to comment is 14 December 2017. Responses should be sent to BBCScotland.Assessment@ofcom.org.uk.

If we decide to conduct a phase two assessment, we will consult before reaching a decision.