

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

Wednesday, 08 November 2017

Present:

Laura Alexander – Chair ACS
Liz Leonard - ACS
John Trower – ACS
Ian Mackay – ACS
Amanda Britain – ACS (Consumer Panel Member for Scotland)
Philip Schlesinger – ACS (Content Board Member for Scotland)

Glenn Preston - Ofcom
Alan Stewart - Ofcom
Jonathan Ruff - Ofcom
Matt Hall - Ofcom
Steve Gettings – Ofcom
Emma McFadyen – Ofcom

Action

1. Welcome and apologies

1.1 No apologies were given. PS noted that he would have to leave midway through the meeting.

2. Minutes of the previous meeting of 14 June, 2017

2.1 GP advised the committee that they had agreed an extended deadline of 17 November with the Culture, Tourism, Europe and External Relations (CTEER) Committee to respond to their Screen Sector Inquiry. Ofcom will provide a short factual submission.

2.2 JR said that he had checked Ofcom’s research on consumer engagement and found that the most recent research was published in 2013. He said however that there was new research was being started that he expects to be published next year. It was agreed that JR would circulate the new research when it is published. **JR**

2.3 JR agreed to arrange a meeting with Ofcom’s WLA market review team if members still considered it necessary. **JR**

2.4 There was a brief discussion about the future role of Community Broadband Scotland following the review launched by Highlands and Islands Enterprise.

2.5 ACS asked about Ofcom’s engagement with stakeholders on 5G. JR confirmed that Ofcom regularly engage with both Scottish Government and SFT. However most of the engagement to date had involved the SFT particularly on its 4G Infill Programme. JR advised that some stakeholders see 5G as a solution to poor mobile coverage in rural areas. He explained, however, that the technology was better suited to carrying large amounts of data over short distances.

2.6 ACS raised that there may be a need to look at a more complex set of variables than price and coverage obligations when conducting spectrum auctions, particularly for 5G. Comments were made that wider coverage obligations can drive down price. JR said that in a recent meeting, Steve Unger indicated that the money raised following spectrum auctions had gradually been decreasing. Mobile operators also had to factor in other expenses such as the cost of maintaining base stations. JT suggested Ofcom consider attaching infrastructure investment obligations when granting access to spectrum.

2.7 Members had previously discussed inviting Enders Analysis to present at this month's ACS. It was agreed to try and arrange for someone from Enders Analysis to speak at a future meeting.

3. Matters arising

3.1 No matters arising that required further discussion.

4. Directors Report

4.1 GP referred to some of the events reported, including meetings with the Scottish Government on BBC Performance/Operating Licence.

4.2 MH updated the committee on his and JR's attendance at a roundtable on parcel surcharging where the limitations of Ofcom's powers had been explained. In discussion JR agreed to check the weight limit for Royal Mail's USO obligations. JR to speak to AB about a briefing for parcel surcharge debate in the Scottish Parliament. **JR**

4.3 JR updated on Steve Unger's presentation at Scotland's Digital Strategy conference in Edinburgh. He explained that Cabinet Secretary for Rural Economy and Connectivity Fergus Ewing MSP had noted the good working relationship his department had with Ofcom. JR also provided ACS members with the key points from other speakers' presentations, including developments on the R100 programme.

4.4 GP gave an update on Ofcom interaction with the Scottish Government.

4.5 The committee discussed a response to Holyrood's Culture Committee Screen Sector Inquiry call for evidence. Questions were raised about whether ACS members should input to areas where Ofcom is not explicitly mentioned. It was suggested that the ACS response should cover: leadership, strategy and support; development, skills and training; and maximising benefit to Scotland. LL to draft high level response on 15 November. ACS members to send thoughts and inputs to LL prior to 15 November. **LL**

4.6 JR spoke about Cross Party Group on Digital Participation meeting. ACS welcomed that CPG had decided to try and agree dates for the full year in advance. JR to forward on ACS invites to AB. **JR**

4.7 GP to speak to PS separately about Ofcom's approach to its statutory responsibilities in relation to MG ALBA, which were being reviewed in light of Ofcom's new responsibilities for BBC regulation. **GP**

4.8 GP said that a budget had been agreed for the Ofcom Scotland team to recruit an office manager, initially for six months.

5. General policy/political update

5.1 It was noted that Ofcom is working closely with, and will provide input to, DCMS's review of the market for full fibre broadband networks and 5G mobile services. Ofcom was seconding someone to DCMS and on 12 December Ofcom would be jointly hosting a round table discussion with the Secretary of State, the Minister for Digital, and industry.

5.2 LA asked how the full fibre ambition interacts with the USO proposal. The G&PB team said that they believe the projects have different aims and are seen as separate. ACS suggested that they should be viewed together. They gave the example of Northern Ireland where they said that work to provide FTTC became quickly outdated as only FTTP would provide full coverage. They said that people in rural communities are always the last to receive new technologies despite potentially seeing the biggest benefits. The ACS suggested it was better to give those without broadband a fibre connection in the first instance and have others catch up.

5.3 LA asked whether the Scottish Government was invited to the roundtable on 12 December. GP agreed to pick this up outside of the committee. **GP**

6. Content Board Update – Philip Schlesinger

6.1 PS updated ACS on Content Board meeting from 31 October, covering a range of topics including: Fox/Sky merger, impartiality monitoring, proposed new BBC Scotland channel, the Annual Plan, content standards, children's programming review, accessibility, Out-Of-London review. There was to be a review of S4C's governance which could be relevant to MG Alba.

6.2 PS said that the content board had had a presentation from a representative from Facebook and had been looking to have more external speakers attend meetings.

6.3 GP agreed to circulate speech from Donalda MacKinnon, Director BBC Scotland, to ACS members. **GP**

7. Update on publication of BBC Operating Licence and next stage of performance work

7.1 GP said that the response to the BBC Operating Licence was broadly positive but that he would circulate a VLV newsletter that was critical. He said that there will be a programme of stakeholder activity to explain the statement. **GP**

7.2 It was explained to ACS that, having now set the operating licence, Ofcom would now be working on publishing the first annual report on the BBC's performance next year. ACS said that Ofcom needs to have a strategy for handling day-to-day questions on the BBC's performance as people are unlikely to wait for the annual report.

- 7.3 The issue of people not realising that they have to contact the BBC first before raising a complaint with Ofcom was discussed.
- 8. Channel 4 update – Briony Robinson (Public Affairs Manager) and Deborah Dunnett (Nations and Regions Manager)**
- 8.1 GP to circulate clip reel that we were unable to play during the meeting. **GP**
- 8.2 SJ and DD explained Channel 4’s role as a PSB. They also explained the nations and regions quotas they have that are monitored by Ofcom and the different ways they are currently exceeding them.
- 8.3 LL said that the ACS are aware and supportive of Channel 4’s contributions in Scotland. She also asked about C4s sustainability in the face of new challenges.
- 8.4 The possibility of C4 relocating offices was discussed.
- 8.5 The issue of independent production companies not growing beyond a certain level was discussed. ACS agreed that this was a problem and also seen in other industries in Scotland.
- 8.6 ACS suggested Channel 4 could submit evidence to the Screen Sector Inquiry. GP agreed to follow up with Channel 4. **GP**
- 8.7 There was a discussion on how appropriate the Ofcom quotas are in judging the benefit broadcasters bring to the nations.
- 8.8 It was agreed that ahead of C4 attendance of ACS next year, C4 will ask members which areas they would like them to speak about. C4 also said that members are welcome to contact C4 anytime in-between and visit them in Glasgow.
- 9. Update on STV2 and Ayr visit – Alan Stewart**
- 9.1 There was a discussion on STV’s work with Scottish Universities. ACS suggested emailing the universities to get their view on their collaboration with STV2. **AS**
- 9.2 GP suggested that the committee may want to host an ACS meeting somewhere other than in the Ofcom Edinburgh Office, and that there could be potential for a visit to STV2 or one of the universities they are working with.
- 9.3 IM asked to what extent do STV’s licence conditions allow for Ofcom to regulate how the collaboration between STV and universities works in practice? GP replied that Ofcom’s role is likely limited, however the regulatory framework can be designed to encourage positive behaviour, for instance mandating for the universities to be involved in governance. GP said we will explore the issues raised.
- 10. Update on new BBC Channel proposals – Alan Stewart and Glenn Preston**
- 10.1 AS informed the ACS that we are yet to receive the BBC’s public interest test.
- 10.2 AS explained that Ofcom has started to identify stakeholders it might want to contact when it does receive the BBC’s public interest test. LL suggested BECTU.

GP asked committee members to contact the team if they thought of any other stakeholders.

11. Update on DTT clearance events in Scotland

11.1 No significant questions or observations were raised and the committee thanked the team for keeping them up to speed.

12. Annual Plan update

12.1 An update was given on the progress of the Annual Plan.

12.2 IM highlighted the Memorandum of Understanding that Ofcom now has with the Scottish Government, UK Government and Scottish Parliament. This agreement places specific obligations on Ofcom to consult with the Scottish Government and Scottish Parliament on our strategic priorities. IM asked if Ofcom will still go beyond this and consult with industry in Scotland. The Annual Plan team said that the relationship with governments is now on a more formal footing however our relationship with other stakeholders still remains. Ofcom and ACS agreed on the importance of speaking to industry.

12.3 GP said that we plan to hold a stakeholder event for the Annual Plan in January. He said that this year it will be held as a separate event to the Connected Nations event and we will be looking to get a more diverse attendance for the roundtable discussion. GP said that we are also considering holding the Connected Nations event with a third party somewhere other than in Edinburgh.

13. Consumer Panel/ACOD update – Amanda Britain

13.1 AB updated ACS on last two Consumer Panel meetings, covering a range of topics including: access services, USO, landline only price cuts, broadband speeds code of practice, calling line identification, and handset charges. It was noted that parcel surcharging is also an area of common concern.

13.2 It was suggested that the next ACS meeting could have an item on access services.

13.3 AB explained in more detail Consumer Panel's USO response. AB to go back to panel to ask about its views on what timescale is a 10Mbps speed appropriate for. **AB**

13.4 ACS members were asked for suggestions as to how Consumer Panel/ACOD updates are conducted going forward. AB also asked members how they see her role as a member of both ACS and the Consumer Panel.

13.5 JR to invite AB to Cross Party Group on Digital Participation. JR also agreed to arrange a meeting with AB to provide her to ask questions as a new member. **JR**

13.6 The Committee discussed the definition of rurality used in Ofcom's Connected Nations report. JR explained that we use the English definition in Scotland in order to be consistent across the nations. ACS expressed a desire to see the Scottish definition used for Scotland and suggested considering applying the Scottish definitions of rurality to England (because this would be relatively

straightforward to do) or to have the Scottish Report give data in terms of both the English and the Scottish levels of rurality.

14. Nations Committee Update

- 14.1 GP informed the ACS of plans to make Advisory Committees more accessible within Ofcom and for AC chairs to attend a senior management meeting.
- 14.2 LA raised the issue that the Highlands were reported as a single area in Connected Nations Report. JR said that he would check and follow up with LA. **JR**
- 14.3 There was a short discussion about the terminology used to define superfast broadband. Ofcom (and now the Scottish Government) define superfast broadband as 30Mbps and over, while UK Government defines it as 24Mbps and over. GP explained that Scottish Government had used the 24Mbps definition for phase 1 of its Digital Scotland Superfast Broadband programme before opting for Ofcom's definition of 30Mbps for its R100 programme.

15. AOB

- 15.1 MH to present paper on potential impacts of Brexit on Ofcom's work in Scotland at February ACS meeting. **MH**
- 15.2 It was suggested to have an item on cyber security at a future ACS meeting, potentially with Huw Saunders and/or an external speaker, possibly from the Scottish Government.