

**SCOTTISH GOVERNMENT RESPONSE TO OFCOM CONSULTATION ON
*Channel 3 and Channel 5: proposed programming obligations - Proposals for
amendments to obligations for Channel 3 and Channel 5 ahead of a new
licensing period***

Consultation questions

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?

Yes.

Q2 Do you agree with ITV's proposals for changes to its regional news arrangements in England, including an increase in the number of news regions in order to provide a more localised service, coupled with a reduction in overall news minutage?

We have no direct comment on these proposals. Should they be agreed, however, because of the nature of the Channel 3 networking arrangements, there might be some consequences for programming outside England and we comment on this at Q7.

Q3 Do you agree with UTV's proposal for non-news obligations should be reduced to 90 minutes a week? If not, what alternative would you propose and why?

We have no comment on this proposal.

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?

Yes.

Q5 Do you agree with the proposals by ITV to maintain the overall minutage for regional content in Wales at 5 hours 30 minutes a week, as detailed in Annex 3? If not, what alternative would you propose, and why?

We have no comment on these proposals.

Q6. Do you agree with the proposals by ITV to reduce the overall minutage for regional content in the Channel Islands from 4 hours a week to 3 hours 20 minutes as detailed in Annex 3, while maintaining the present provision of a 30 minute early evening regional news programme? If not, what alternative would you propose, and why?

We have no comment on these proposals.

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

In the event that ITV's proposals for reduced minutage, consulted on at Q2, were accepted, whereas the nations of Wales, Northern Ireland and Scotland will remain at 4 hours of news per week, English regions will reduce to 3 hours 20 minutes. This will mean shorter bulletins at weekday lunchtimes and late afternoon weekends.

This would have the effect that the network schedule will provide slots for the lower amount and that nations' licensees would make up the difference by transmitting longer bulletins at 2230. That, however, will not work in Scotland where *Scotland Tonight* is already being broadcast. Since STV holds two licences, both of which would retain a higher, 4 hours per week quota, without further adjustment it would be necessary to split STV's output to accommodate dedicated regional news on both STV Central and STV North. This would be disruptive and damaging to the format of *Scotland Tonight* which has had considerable success since its launch in late 2011.

We understand that STV will suggest to Ofcom that in order to address this issue, STV should be permitted to broadcast some pan-Scottish news on both licences, an extension of what already happens at the weekend. This would mean each STV region created 3 hours 20 of news per week with a further 40 minutes of pan-Scotland material broadcast in both licence areas. That would allow *Scotland Tonight* to continue on its current basis and seems to us a pragmatic solution.

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

The choice is between:

Option 1 – where there would be a dedicated Border news service, whose main early evening news bulletin would comprise 30 minutes of news of specific interest to Border viewers, with appropriate coverage of Scottish issues, and a weekly half hour regional current affairs and politics programme for the whole of the Border region and specific to the region, with two thirds to three quarters of the programme focused on southern Scotland, and reflecting the political debate in Scotland in particular; or

Option 2 – which would comprise the enhanced regional news service described in Option 1, but in place of a 30 minute current affairs programme which must be specific to the Border region, ITV would be required to provide 90 minutes of non-news regional programming (including current affairs) a week, in or near peak-time, which could be produced in conjunction with the other Scottish Channel 3 licensees.

We are clear that option 2 is to be preferred. Only option 2 has the capability of allowing Scottish viewers in the franchise area to see news and current affairs coverage of Scotland on a broadly comparable basis to viewers elsewhere in Scotland. Informing democratic debate is at the very heart of the public service broadcasting ethos and at present viewers in the Scottish portion of the franchise are short-changed by being denied access to programming on news and current affairs on the range of issue such as health, education and local government that are decided on in Scotland at the Scottish Parliament.

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?

ITV should be required to provide separate transmission for the Scottish and English parts of the region on DTT. This should be set in the context of ITV having known since 2012 that the licence for the region will be extended to 2024 or 2025. Whilst we believe that this consultation could usefully have been supported by understanding that the capital costs of providing separate transmission would be of the order of £500,000 or some £40,000 a year if spread over those 12 years. This seems a sum readily affordable by ITV and is less than 3 weeks' advertising revenue generated by showing *Coronation Street* alone in the region¹.

This also needs to be set in the context that it would, we understand, be relatively easy to adjust the Selkirk transmitter to achieve separate transmission in the eastern part of the Scottish portion of the franchise area. For the western part of the Scottish portion, we understand that the Caldbeck transmitter has an existing antenna that would broadcast northwards but that is not currently active. Thus the major part of the effort and expenditure, at the top of the mast, to achieve separate transmission has already been incurred, yet is yielding no benefit in the absence of the further work at the bottom of the mast outlined above.

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

In the longer run we would see moving to franchise areas that reflect the Anglo-Scottish border as the logical approach. We recognise, however, that there are pragmatic considerations around ensuring continuity of investment and related issues such as the potential effect on ITN were the licences not renewed. We are therefore content for the licences to be renewed for 10 years provided that Option 2 is adopted with ITV required to provide separate transmission for the Scottish and English parts of the region on DTT. We do not see changes to licences that are not accompanied by changes to transmission systems as an acceptable alternative. Licences change: there have been 16 variations to the current Borders licence since it was granted in 2004². Transmission infrastructure endures and getting that infrastructure right offers the only approach in which there can be confidence.

¹ From £390 for advertising for 30 seconds in the region during *Coronation Street*, multiplied by 5 first run transmissions per week with 8 minutes of advertising in each (source: http://www.itvmedia.co.uk/assets/itv_media_new_design/content/downloadables/itv%20spots%20cost%20file.pptx).

² Available at <http://licensing.ofcom.org.uk/tv-broadcast-licences/current-licensees/channel-3/border/>.

Q11 Do you agree that the Border licence should be amended to reduce the proportion of regional production required to a sustainable level? If not, what proposals would you like to make?

Other things being equal, regional production is desirable. It also needs to be seen against a background where on current plans, the Scottish Borders will not be much affected by local television as no the consultation on locations³ that the UK Government carried out did not cover any locations there. Analysis of the coverage maps for the local television stations⁴ indicates that there will be little spillover into the Scottish Borders from any of the planned local television stations other than limited coverage of south-west Scotland from the Carlisle station.

All that being said, we are clear that the pressing need is for better coverage of Scottish-wide news and current affairs in the Scottish portion of the Border franchise and it is this that we would emphasise.

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?

This seems to us primarily a matter of fact. We understand that STV and UTV have evidence to demonstrate that there is no marked difference in viewing figures at 10.30 pm and 11.00 pm, or in the rates that advertisers are prepared to pay at these times. Against that background, and the difficulties caused by the current definition, as set out in Annex 2 of the letter of 11 February 2013 from Bobby Hain of STV to Peter Bourton of Ofcom⁵, we believe that such a change would be justifiable. Although ITV have not explicitly asked for such a change in their licence arrangements it may be that Ofcom would wish to consider this, should the same considerations about viewing figures and advertising rates apply in their franchise areas.

³ Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/72924/Local-TV-Locations-August-2011.pdf at

⁴ Available at <http://maps.ofcom.org.uk/local-tv/>

⁵ Available at http://stakeholders.ofcom.org.uk/binaries/consultations/c3-c5-obligations/annexes/Letter_from_Bobby_Hain_STV.pdf