

Ofcom

Introduction

We welcome the invitation to submit evidence for this round table discussion. In this submission we have focussed on Ofcom's role in terms of assessing how effectively public service broadcasters in Scotland are meeting their obligations, particularly in terms of news and current affairs. Given that the discussion may cover other aspects of public service broadcasting (PSB), we also refer to other programme genres and to other providers of public service content in Scotland.

Our General Role

Ofcom is the independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications, wireless communications and postal services. The primary duty set for us by the UK Parliament in the Communications Act 2003 is to further the interests of citizens and consumers. Our role in relation to citizens is reflected in a large number of specific duties, including promoting the fulfilment of the purposes of public service television broadcasting in the UK. Ofcom licenses all UK commercial television services.

Broadcasting

We are required by the Communications Act to review public service broadcasting at least once every five years, and to make recommendations about how its quality can be maintained and strengthened. In doing so, our focus is on audiences' needs: both understanding them, and ensuring they continue to be met as changes take place in the media landscape. The Communications Act specifies which services are public service channels, defines a public service remit for those channels and the licence obligations we can impose on them.

We conducted our first PSB Review in three phases during 2004-05. The third phase was published on 8 February 2005, followed by a final statement on programming for the nations and regions, published on 9 June 2005. We concluded that there was continued demand for PSB but that the existing model of ensuring it was provided by commercially funded channels would not survive the transition to a wholly multichannel world unchanged. We recognised a need to balance the value of licence benefits with the cost of PSB obligations. Without this balance, there is no incentive for commercial public service broadcasters to retain their public service licences.

The review concluded that there was a continued requirement for programming that reflected the distinct identities, cultures, histories and interests of Scotland, Wales and Northern Ireland. It was noted that this requirement was not likely to be met by UK-wide programming alone, nor by reducing minimum requirements on regional programming in the nations in line with our decisions for the English regions.

Following our first PSB Review, the UK's media landscape evolved rapidly and continues to do so: viewer adoption of digital technology has grown significantly;

- multichannel television has reduced audience sizes for all broadcasters; and

- there has been a corresponding fall in television advertising expenditure as advertisers have looked elsewhere to make an impact with their target consumers.

We announced in May 2007 that we would bring forward our second PSB Review based on this and other evidence, which highlighted the considerable uncertainties for commercial public service broadcasters more generally. The first phase was published on 10 April 2008, followed by the second phase on 25 September the same year. A final statement was published on 21 January 2009 - http://stakeholders.ofcom.org.uk/consultations/psb2_phase2/statement-short-term/

As a result of the PSB Review the requirement for news programmes on STV, UTV and ITV Wales was reduced to 4 hours per week. Within the quotas in all the devolved nations, the requirements for peak and near peak transmission were retained, reflecting the continuing need to maintain public service output at the most suitable times for audiences. The requirements for current affairs were also retained. Ofcom also allowed the merger of various news services including Border and TyneTeles.

It should be noted that the UK Department for Culture, Media and Sport has proposed amending or removing several of our duties through the Public Bodies Act 2011 to return the policy-setting role to the Secretary of State, reduce unnecessary expenditure and avoid duplication. These proposals include amending our duty to review PSB every five years so that a review will only be conducted at the discretion of the Secretary of State. The Secretary of State will also determine the scope of the review.

Licence Obligations

In the light of our PSB Reviews, this table shows some of the main quotas set by Ofcom under Communications Act

Quota – hrs per week or Percentage	Channel 3	Channel 4	Five
National (UK) news overall	7h	4h	7h 50m
National news in peak	2h 24m	4h	1h 55m
Current affairs overall	50m	4h	2h 30m
Current affairs in peak	40m	1h 32m	12m
Regional news overall	3h 45m in England; 4h in nations*		
Regional news in peak	2h 15m in England; 2h 30m in nations		
Regional non-news overall	15m in England; 1h 30 m for STV (of which 33m of current affairs)		
Regional non-news in peak/near peak	14m in England; 1h 15m in nations		
Regional programmes produced in region	Varies by region from 70 to 99%		

(* STV must also transmit at least 5 minutes of regional programmes broadcast at 6.00pm on each weekday [or on average not less than 25 minutes per week]

consisting of sub-regional news devoted to different parts - i.e. sub-regional - of its licensed areas.

Licensees are free to transmit more than their minimum requirements. Peak time is defined as 1800-2230hrs).

PSB Measurement

Our research programme provides granular information for Scotland, where appropriate. For the last six years, we have published Communications Market Reports for the nations. We report on the expenditure and volume both for TV programmes specifically made for Scottish viewers and for networked shows made in Scotland. We also report on the performance of news programmes. We also monitor the performance of public service broadcasters against their out-of-London quotas.

The Communications Market Report for Scotland for 2011 can be seen at: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/scotland/>. The key points for broadcasting were:

- The number of hours produced specifically for viewers in Scotland was up 14% from 2009 to 1,881 hours compared to a 13% increase since 2005. This compares to a UK-wide average decline of 9% over this five-year period.
- The number of hours for non-news/non-current affairs in Scotland was up by 26% from 2009.
- Spend on qualifying first-run commissioned content in 2010 by PSB channels in Scotland accounted for 4.6 per cent of UK expenditure, up from 3.6 per cent of total expenditure in 2009.
- In terms of volume of network TV programming, producers in Scotland delivered 4.6 per cent of all first-run hours during 2010, up from 3.3 per cent twelve months earlier (and up from 1.6 per cent in 2006).
- Year-on-year spend by public service broadcasters on first-run original programming for viewers in Scotland also experienced a slight, one per cent increase to reach £52m in 2010.
- TV viewing remains high in Scotland, at an average of 4.5 viewing hours per day in 2010, compared to a UK average of 4 hours.

Ofcom also publishes PSB Annual Reports to provide an evidence base for assessing the delivery of PSB. It reports on licensees' compliance with their regional PSB obligations and the 2011 Annual Report can be found at:

<http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb2010/psbcomp.pdf>

In 2010 STV exceeded its regional licence obligations.

BBC ALBA

This is a BBC-licensed service but given Ofcom's regulatory role in approving MG ALBA's Operational Plan and in making its board appointments, it is worth pointing out the contribution to public service content made by the channel. For example, in 2010 it transmitted first run programming of 172 hours of news and 11 hours of current affairs in addition to 419 hours outwith these genres.

Local TV

The UK Government's policy is to introduce local TV stations into different areas of the UK including parts of Scotland. Ofcom has been providing technical guidance for the Government's work. Following implementation of the relevant legislation it is envisaged Ofcom would independently award the local TV licences through a competitive selection process. Once they are broadcasting, these services will contribute to local public service content.

Licensing of Channel 3

Ofcom has a duty to prepare a report for the Secretary of State for Culture, Olympics, Media and Sport explaining whether we consider the Channel 3 (and Channel 5) broadcast licences should be renewed after 2014.

On 1 July 2011, the Department for Culture, Media and Sport asked Ofcom to provide the Secretary of State with advice about the options for relicensing Channel 3 and Channel 5.

In the published paper containing this advice we said given the ever increasing importance of devolved institutions, we considered that securing a workable solution to plurality of news in the Nations represented a key consideration in determining the capability of existing licensees to contribute to the purposes of PSB.

The link for this paper is: <http://stakeholders.ofcom.org.uk/binaries/broadcast/tv-ops/licensing-c3-c5.pdf>

Scottish Parliament Engagement

Since Ofcom was established, we have engaged actively with the Scottish Government and Parliament on key broadcasting issues. For the record and as background, our specific engagement with the Scottish Parliament has included:

- attendance at the Enterprise and Culture Committee on our first PSB Review in June 2006,
- attendance at the Education, Lifelong Learning and Culture Committee on our second PSB Review in June 2008, and
- evidence to the Scotland Bill Committee on 25 October 2011 on various PSB issues. You can find our written submission for this at: http://www.scottish.parliament.uk/S4_ScotlandBillCommittee/Meeting%20Papers/Papers_20111025.pdf

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