

The General Assembly of the Church of Scotland
COMMITTEE ON CHURCH AND NATION
An Ard Sheanadh Eaglais na h-Alba
COMATAIDH NA h-EAGLAISE AGUS AN NÀISEIN



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RESPONSE TO THE CONSULTATION ON MEDIA OWNERSHIP RULES

The Church and Nation Committee of the Church of Scotland is pleased to have the opportunity to contribute to the debate on media ownership. The Committee reported in 2001 to the Church's General Assembly, with the same report being submitted at the time as a response to the Communications White Paper. We enclose a copy of that report again for ease of reference. The response here is brief and, we hope, to the point. These matters are, however, examined in more detail in the report.

In the report received by the General Assembly the Committee stressed the need for three things highlighted in the White Paper: ensuring universal access, securing quality, maintaining diversity and plurality. We believe that it is worth re-emphasising these points now as general indicators of the limits which need to be set to the operation of a "free market". The ability to be part of the society in which we live is in part expressed in access to media, particularly television - it is thus part of a **social inclusion** agenda. The quality of that inclusion is, however, just as important as the quantity - and the range of programmes is important as well. Our previous report makes reference to the danger of "metropolitan homogenisation".

In assessing the impact of programming the report pointed out that ratings are but one measure and that reach and appreciation need also to be taken into account.

It is within the topic of **diversity and plurality**, however, that the current consultation can best be located. We regret to note that the consultation paper does not examine the subject of regional or national diversity at all - although it makes some mention of local needs with regard to radio. Combined with the relaxation of restrictions on share, we are concerned that the ability of local and national cultures to be reflected in the media will be further diminished. The main gainers are likely to be those with deep pockets and predatory instincts.

On **religious ownership**, the General Assembly has made it clear that it sees no reason to have particular provisions restricting media ownership by religious organisations. Those who worry about offence being given should surely depend on the legal position imposed on all broadcasters to ensure that the material broadcast remains within acceptable boundaries.

One of the strengths of ITV has been its regional roots. Production centres around the UK have contributed a significant part of the Network's output, and ensured the diverse cultures of the UK have some representation on national television.

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Strong regional production bases are also important in reflecting the ITV's regions to themselves in the local programmes they transmit. This is especially important in Scotland, which may be several regions in ITV terms, but is a nation in UK terms, with a strong sense of the identity of its own regions, East/West, Celtic and Norse, North and South, Gaelic and Doric.

The General Assembly has been clear in its support of the distinctive identity of the ITV regions in Scotland, serving these cultures with both news and other programmes.

In recent months the ITV companies have proposed to the ITC variations in their licences which would permit harmonisation of the schedule, i.e. all companies transmit regional programmes of a similar nature at the same time, instead of opting in and out of the network schedule. As some companies transmit fewer hours than others, it is at least possible that the consequence of harmonisation would be a reduction in the number of local hours broadcast on in many regions. Proposals have been discussed which would trade a reduction in hours for an increase in budget and quality of local programming.

Hitherto the ITC has been reluctant to engage in actively monitoring budgets of local programming. This has weakened its effectiveness in ensuring that the quality of local production is sustained.

Since the 1990 Broadcasting Act there has been an inevitable tension between the ITV licensees requirement to deliver maximum returns to shareholders and the costs of delivering local programming. Progress towards concentration of ownership of licences, and attempts to harmonise the schedules, will increase this tension. If requirements for cost and quality of local programmes are not precise, and effectively monitored, there is a risk of reduced hours and continued reduction in budget and quality. If ITV is to continue to deliver regional programmes under concentrated ownership, the ITC and its successor, OFCOM, must be vigilant in monitoring quality as well as quantity.

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APPROVED DELIVERANCE

The General Assembly:

Welcome the opportunities for communication in the new digital technology, recognise the potential for using the same technology to do good or ill, and encourage members of the Church to offer their commendation and their concern to broadcasters whenever either is merited.

Call on Her Majesty's Government to require the BBC to consult regularly with the Scottish Parliament.

Call on Her Majesty's Government to abolish the present restriction on ownership of channels by religious bodies.

Welcome the White Paper, *A New Future for Communications*, and urge Her Majesty's Government to secure the future of public service broadcasting and regional broadcasting by maintaining universal access, ensuring quality and promoting diversity in Britain's broadcasting.

1. Public Service Broadcasting in the New Communications Context

1.1 We have grown up in a country and in an age where public service broadcasting (PSB) has been the presumed norm. John Reith, General Manager of the BBC, said in 1924:

As we conceive it, our responsibility is to carry into the greatest possible number of homes everything that is best in every department of human knowledge, endeavour and achievement.

1.2 Public service broadcasting has been about the accessibility of good quality broadcasting and ensuring universal access, maintaining diversity and plurality and securing quality. Public service broadcasters must be willing to deliver these qualities regardless of their commercial viability. The Peacock Committee reported a consensus among public service broadcasters on the duty to "inform, entertain and educate" and on the principle of geographical universality.

1.3 However, there is grave doubt about the willingness of television companies to continue to provide the present level of service in the areas of public service broadcasting and regional broadcasting. Many producers have concerns that the increasing market pressures will threaten quality public service broadcasting. Existing regulatory bodies such as the Independent Television Commission (ITC) have had difficulty in attempting to

sustain even light-touch regulation in the face of commercial pressure. This is in part because some of the reasons which justify regulation in the past no longer exist, or are not seen as desirable in the new era.

1.4 Broadcasting is undergoing a profound revolution. Digital technology now permits many more channels to be carried, both by traditional terrestrial transmitters and by satellite. As technology surrounding the Internet improves, moving pictures can be accessed via simple phone lines. The distinction between radio, television and internet has become less clear. The potential for change and greatly increased choice is now with us, but there remains uncertainty as to what kind of change will result from the combination of finance, technology, and consumer demand.

1.5 As the new channels compete for audience attention, some would argue that when technical restrictions are gone there will be opportunity for the market to deliver what people want, unfettered by regulation. But these restrictions have not yet gone. Most of the population, for reasons of availability, choice or cost, or a combination of these, still receives only four or five channels via the analogue terrestrial network of transmitters. When digital reception is a reality for everyone, there are issues of competition to be addressed, such as the commercial advantage of existing channels in having established themselves, and the power of carriers, cable and satellite, who are also owners of individual channels.

1.6 Plans are currently being considered for BBC3 and BBC4. These have to balance on the one hand the need to create channels which are established and secure by the time all viewers have access to digital transmission, and on the other the need to deliver a universally accessible service to viewers who are meanwhile not capable of receiving digital channels. Planning appropriate evolution to BBC3 and 4 requires a clear signal from the Government as to when analogue switch off is planned. It will not be acceptable for many viewers to have the less commercial elements of the BBC's output delivered on channels with limited audience potential and much smaller budgets. The BBC, funded as it is by the public via their licence fees, is clearly a cornerstone of public service broadcasting. In the face of multi-channel environment where channel "branding" will become increasingly important, the BBC's diversification into new channels is clearly necessary if it is not to become an "optional add-on", as PSB appears to be in the United States.

1.7 As Andrew Graham and Gavin Davies assert in *Broadcasting, Society and Policy in the Multi Channel Age*, *Public service broadcasting is not an optional add-on, but central to the health of all broadcasting.*

2. The White Paper

2.1 Amid this climate of change and uncertainty, the Government published a White Paper in December 2000: *A New Future for Communications*. For the first time, it is not a broadcasting white paper but a communications white paper. It argues that: *It is vital that government has a clear policy framework for this rapidly developing sector, which will be so central to our economy, democratic life, culture, entertainment and education.* (1.1.23)

The Committee responded to it at the appropriate time, and now seeks to stimulate wider thinking about vision for the future.

2.2 The Government in its White Paper makes the following general points:

- *Our world is changing and communications are central to this change;*
- *We want to ensure the widest possible access to a choice of diverse communications and services of the highest quality;*
- *We will make sure that people can continue to receive much-loved broadcasting channels;*
- *We will strengthen the regional dimension to UK broadcasting and continue to support the independent production sector, as well as consider new plans for community media.*

2.3 Because the boundaries of the broadcasting industry are not so clearly defined as they once were there is a huge difference from the way most of us have perceived broadcasting up until now. The framework for which the White Paper argues would have very strict guidelines and be able to be implemented. Thus rather than try to combine existing regulators the Government proposes the radical measure of creating, as the White Paper puts it:

a single regulatory body for the communications and media industries – an Office of Communication (OFCOM) – which will cover telecommunications, television and radio. Its remit will cover both content and communications network. It will promote competition and manage spectrum.(1.3.6)

This new body, however, will not cover the BBC who will still be regulated by a Board of Governors.

2.4 With the huge changes taking place and with the end of spectrum scarcity, some people are suggesting that the end of public service broadcasting is imminent, simply because of the competition in a vibrant market. However the existing terrestrial channels have public service obligations laid upon them in return for the privileges granted to them. In the case of the BBC the privilege of the licence fee and in the case of ITV, Channel 4 and 5 the limited spectrum available for transmission has limited the number of channels. Although digital and cable and eventually the Internet will provide opportunities for transmission of many more channels, these terrestrial channels remain uniquely privileged in competitive terms in having access to analogue spectrum. Therefore their public service obligations remain.

2.5 The White Paper insists that::

Public service broadcasting will continue to have a key role to play in the digital future, potentially an even more important role than it has now. However the way public service broadcasting is regulated and delivered by the broadcasters will have to change to reflect the new conditions in which they operate. (5.1)

2.6 The new structure of regulation, it is proposed, *would allow broadcasting to adapt quickly and efficiently to change*, and clearly backs the maintenance of the PSB statutory commitment for quality, variety and levels of PSB. OFCOM is expected to ensure that it will be possible for all channels to carry the entire range of public service broadcasting.

2.7 The White Paper assures us that: *We will give OFCOM powers to ensure that public service broadcasting channels are given due prominence on devices such as electronic programme guides and that access to them is easy.* Accessibility to public service channels, however, is also vital. If the viewer cannot access them easily they will not watch. The broadcasters may use this as lack of public interest and in turn use this as an argument for dispensing with them altogether. This accessibility includes the issue of the listings of public service channels and whether this should be by genre as well as by channel. These arrangements would refer to the channels already mentioned but *[the Government] will retain the right to add new public digital services to this list, where we consider that these are essential for full social inclusion.(3.5.1)*

2.8 The key elements, therefore, of the proposed regulatory framework are:

- to create a system which allows flexibility for public service broadcasters
- to maintain mixed, varied and high quality schedules, and
- *to ensure a level playing field for different broadcasters who have different aims and objectives and funding sources.*

The White Paper sees this mixture as a national treasure:

By having a mixture of publicly owned, publicly regulated and purely commercial broadcasters, the UK has in many ways had the best of both worlds. The competition from commercial broadcasters has been a spur to innovation and serving consumers. The public service broadcasters have provided a guarantee and benchmark of quality for the rest of the market, halting any slide towards lowest common denominator content. That mixed ecology of broadcasting is worth fostering, indeed is essential for the digital world.(5.3.12)

2.9 The White Paper retains a commitment: *to ensuring that public service TV channels are available to everyone, as now, free at the point of consumption, both before and after the switchover to digital television.*

Because more than 99% of the population has access to most television channels, the Government wants to maintain that kind of service and will work actively to ensure that everyone has easy access, *either free at the point of delivery or at an affordable price.(3.2.1)*

3. The Perspective of the Church

3.1 The Church comments on these matters from the basic belief that people matter as people. All else, including commercial considerations, is therefore secondary. As this is so, then inclusion must be a guiding principle. For us this will mean that neither geography nor income should separate people from the society in which they are set (ensuring universal access); it will mean that they are worthy of good broadcasting (securing quality); and it will mean that their own local culture is worthy of attention in its own right - saved from the fate of metropolitan homogenisation (maintaining diversity and plurality).

3.2 The Church, with its network of contacts in the presbyteries and parishes across the land, has set universality of access as a watchword for its own organisation and is therefore aware that, likewise in broadcasting, universality of access to high quality programmes, regardless of their commercial viability, is important to people.

3.3 We therefore welcome the assurance of the Foreword of the White Paper that the Government is keen: *to ensure the widest possible access to a choice of diverse communication services of the highest quality ...We want to include every section of our society in the benefits of these services, and use to the full the opportunities now available for enhancing their diversity and quality.*

3.4 Having less commercial appeal should not be assumed to be the same as being less popular. All broadcasters measure *ratings*, the number of people watching a given programme at any one time, and *share*, the percentage of the watching public tuned in to a channel at any given time. These are the most common means of measuring audience, and the means used by advertisers. But they are not the only measurement of value or popularity. Broadcasters also measure *AI* (Appreciation Index) the level of satisfaction a programme gives, and *reach*, the number of people who may watch some part of a series or channel at some time over a given period. However viewers may be at least as concerned that, say, a factual series can be relied upon to be of a high standard when they watch it, even if they do not watch every programme in the series. A mark of public service must be valuing the *AI* and the *reach* as much as the *share* or *rating*.

3.5 The White Paper seeks views on ownership of channels and specifically on whether the restriction on ownership of channels by religious bodies should be preserved. The Committee does not feel it should be. In a multi-channel environment where anyone with conviction and capital can set up a channel it would be anomalous to prohibit religious bodies from doing so. However, the Committee does not believe that religion as a subject should be confined to religious channels. High quality factual programming, part of public service, should include specifically religious programmes. Other factual and drama programmes should make an effort to ensure appropriate reflection of the religious dimension of life, and not assume that religious departments or channels are looking after the subject to the exclusion of all other programme makers and genres.

4. Ensuring Universal Access

4.1 Public service broadcasting should be for everyone's benefit but not everyone is willing to pay for more than the programmes they already know, such as sports and films. For the majority of viewers at present, traditional terrestrial distribution remains the principal means of receiving television programmes and in the future there will be many viewers who will choose not to pay for additional channels. There may also be a question of power within a household where one member may be in a position to dictate which channels are bought whereas at present terrestrial television channels are available on all television sets. The development of digital television is to be encouraged provided that everyone benefits from the improved service.

4.2 The White Paper promises that: We will maintain and extend obligations to secure the carriage of public service channels over cable and satellite. But perhaps it is more important to define what is meant by PSB. Do cable and satellite providers mean the same as the Government does? This issue will be especially important after the switchover to digital as many people with digital will want all services through the set top box they have without needing additional equipment for terrestrial signals. For this reason cable and satellite operators will also deliver PSB.

4.3 Not only is the range of programmes available important, viewers and listeners should have a choice of providers for these services. Digital technology makes this plurality much easier and gives rise to competition between providers. This, it is hoped, will encourage innovative investment leading to the excellent delivery of services that society requires. However, without a regulatory oversight, investment may only be made in the more popular programmes and therefore the full diverse service which we now enjoy would not be available.

4.4 The Committee urges that a measure of public service should be a channel's willingness to use as a criterion for scheduling not just ratings or share but reach, for reach is about valuing the viewer. Factual, including religious, programmes may not always achieve the ratings of a soap, but there is clear evidence that their reach is significant. The audience will not be well served if such programmes are squeezed to the margins of both budget and schedule. In many ways the BBC World Service, to which there are to be no changes in existing arrangements, is an excellent example of quality where reach, rather than ratings, must be a measure of its success.

4.5 While not being complacent about the future of public service broadcasting, the fact remains that it has been a major and valued part of UK broadcasting for all of broadcasting's life. Developments that have already taken place with the multi-channel revolution have made improvements, especially in the areas of films, sport and news. And PSB has proved thus far to be the best way of making original UK programmes that people want to see. The White Paper notes that, *The public service broadcasters still command 61.6% of the total audience in multi-channel homes and 70% in peak time.*

4.6 These programmes are the basis of much of the programming for digital channels, as these television and radio programmes are what economists call "public goods". Once a programme has been completed extra copies are virtually free and with access virtually free at the point of use, the programme can be repeated many times without increasing cost. The public interest is best served and access not restricted by continuing the practice of everyone paying for television through advertising or the licence fee.

4.7 But if the economic argument hold good so does the democratic one. Public Service Broadcasting ensures that the interests of all viewers are taken into account and we should not tolerate a market that results in exclusion. This means ensuring that the best programmes remain available to the maximum number of people.

5. Securing Quality

5.1 The White Paper's concern about quality is that *...increased diversity may harm the quality of programming available and reduce standards of decency.*(1.1.22) In ensuring universal access the Committee is concerned that the access is to a product worth having. An increasing emphasis on entertainment to win audiences may reduce the number and quality, for example, of high-quality factual programmes on network, including religious programmes. Factual programmes have been seen as a measure of commitment to public service. For example, current affairs and religious programmes have been increasingly squeezed out of peak time transmission.

5.2 OFCOM will combine the functions of the current regulators (Broadcasting Standard Commission, Independent Television Commission, Oftel, Radio Authority, Radio Communications Agency) thus simplifying oversight. OFCOM has a further specific role - to develop good links with the relevant policy committees and executives of devolved assemblies, to ensure that regional as well as national voices are heard. The BBC will retain a Board of Governors with modified responsibilities. A big advance would be for the BBC also to be given a legal requirement to consult with the Scottish Parliament.

5.3 The media are important in representing the views of a nation and the fact that broadcasting is not a devolved power makes this issue an essential component of the work of OFCOM. This is especially so if it is to be an effective regulator for the Government: to oversee UK broadcasting and to ensure the retention of the important place of public service broadcasting and regional broadcasting.

6. Maintaining diversity and plurality

6.1 Regional programmes need to be included in the commitment to maintain a quality of service, for it not only plays a part in stating a region's identity, it is the place where people learn about local issues and should be encouraged to participate. As it states in the White Paper: *It [regional broadcasting] is an intrinsic element of public service broadcasting in the UK.*(3.3.2)

6.2 "Nations" and "regions" are terms now used by all broadcasters in their policymaking for production from outside London. The nations referred to are Scotland, Wales, and Northern Ireland, and the regions are the regions of England. While England is significantly larger than the other nations, it should be remembered that the regions of Scotland are also diverse and distinct. The Borders are distinct from the Central Belt, the East Coast from the West, the Northern Isles from the Western Isles and the Highlands from the Lowlands. The ITV network has traditionally borne significant responsibility for reflecting this.

6.3 If public service is about delivering quality regardless of commercial considerations, and if there are to continue to be public service requirements laid upon ITV, then the new regulator must have both the resources and robustness to ensure public service requirements, and regionality in particular, are not compromised by inevitable commercial pressure. This may mean more constructive means of assessment than the current system of merely counting minutes.

6.4 It has to be said, of course, that the regional broadcasting provision is not perfect. Often geographical problems mean that some people cannot at present receive the regional programmes best suited to their area. With the use of digital broadcasting it is hoped that this issue can be resolved and the Government is to initiate discussion to this end, with relevant broadcasting companies. It is to be hoped these discussions are soon and worthwhile.

6.5 ITV does have particular obligations in delivering regional programmes and the White Paper makes it clear that these will continue. Regional production is inevitably less economic than

network production and factual programmes less expensive than drama and entertainment, so regional outputs on ITV are mostly factual. The question of finance is also raised because the 1990 Broadcasting Act removed the financial incentives previously offered to ITV companies to make their regional programmes with higher budgets and to higher standards. Post 1990 there is intense commercial pressure on ITV companies to cut programme costs wherever possible. The Act has not been rigorously implemented and so regulation and intervention by the ITC to maintain quality has been much harder. There are therefore issues about the quality being assessed by subjective standards, the variety of regional programmes on ITV and light touch regulation which should also be discussed in the Government talks.

6.6 Delivering programmes on network which reflect the cultures of all the nations of the United Kingdom is clearly another mark of public service, and the White Paper's acknowledgement of regionality is welcome. The EU has legislation to ensure restriction on what otherwise would be the domination of our screens by imported American programmes. So legislation is required to ensure there remain healthy production bases in, and input from, all the nations and regions of the UK. The regional dimension for each ITV Company will be stated in the licence conditions and OFCOM at a time of subsequent take-over will be required to review the regional obligations.

7. Scotland

7.1 This is especially relevant to Scotland when the merger of Scottish Television and Grampian Television is recalled. In the report to the General Assembly in 1998 the Committee stated: *This media domination within Scotland has aroused fears of the erosion of regional identity. Many viewers in the Grampian transmission area are concerned that the distinctive character of the region may be submerged with a loss of editorial independence and more centralisation of resources and a reduced presence in Aberdeen.* These fears have been realised. The ITC upheld complaints from MPs, MSPs and the trade unions and, following their own monitoring of the situation, criticised Grampian Television in May 2000 for cutting the number of regional programmes. The report found that over the last two years there had been a substantial reduction in programmes of special interest to North of Scotland viewers in prime time slots. The Government also wants to see regional aspect developed further by other public service broadcasters, with BBC and Channel 4 increasing their commitment to the nations and regions. This is to be welcomed and targets are to be set and monitored by OFCOM.

7.2 Scotland's geography compared with the rest of the UK deserves particular attention which the White Paper has not acknowledged. The Highlands and Islands and the Borders have many small communities separated from each other by hills and mountains. This makes the communities distinct in character as they are geographically defined and these small pockets of population can be served easily with radio stations whose signals are contained by the hills.

7.3 The White Paper talks of the potential for community level services in television and radio. Scotland already has a number of highly successful community radio stations, largely run by volunteers and in which local churches often have involvement. Regulation should acknowledge their distinctiveness and facilitate further growth in these areas. Community television could also be available with the new technology and the Government does want to encourage broadcasters in this area. Some cable companies do offer local services but there are questions of quality, supply, demand and supervision which would need to be examined.

8. Gaelic

8.1 The desire to meet the needs of different communities led to the establishment of the Gaelic Broadcasting Task Force in 1999. It reviews the current provision of programming in the Gaelic language and considers future options. With this great revolution in

broadcasting it is now simpler to advocate a separate Gaelic language channel and many Gaelic speakers themselves would support this because they are aware that there is resistance from non-Gaelic speakers about the air time Gaelic programmes have and the compromise of putting English subtitles on Gaelic programmes has not been acceptable to the native speakers. The Committee has noted concerns expressed about the demise of Telefios, the Gaelic news service on Grampian/Scottish. The compromises which the 1990 Act introduced, whereby ITV was required to carry Gaelic programming in peak time, have clearly not been resolved, and the White Paper's intention to give further consideration to structures for Gaelic broadcasting are welcome.

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