

Advisory Committee England, response to Interim Digital Britain Report

1. Introduction

The Ofcom Advisory Committee for England welcomes the opportunity to respond to the interim Digital Britain report. We see the review as an important initiative for England and the UK generally, particularly in the current economic climate.

We recognise that tough decisions will need to be made if continued investment and innovation is to be encouraged and allowed to flourish. As a result, the Committee welcomes the fact that Government is taking the lead in areas go beyond the jurisdiction of Ofcom and other agencies, bringing relevant stakeholders together to achieve solutions to issues such as 2G liberalisation or universal connectivity. This initiative has the potential to unlock solutions more quickly than if the market were left to its own devices.

However, we also recognise that many critical decisions will need to be taken quickly, particularly in areas such as Public Service Broadcasting where a swift response is needed in order to preserve the best of the current system, and unlock an exciting digital future.

To deliver this future we believe that if the ambitions of Digital Britain are to be realised quickly, and in the most cost effective way possible, it will be important for stakeholders to work together in shaping a vision of a Digital Britain, and sharing data and resources where they can. This is particularly true for issues such as “not spots” where a range of different agencies have historically collected data about service availability. Only by combining data from service providers, Ofcom and Government can a true and honest picture of digital service availability be ascertained. This will be vital for organising the national, regional and local action plans which we think will be required to ensure a successful implementation of Digital Britain.

The Committee would welcome greater clarity on the mechanisms by which Digital Britain will be delivered, and we expect that this will be covered in the final report. Just as Central Government has taken the lead on Digital Britain, we anticipate that some key responsibilities will fall on more localised bodies such as the Government Offices and Regional Development Agencies. Without their input and continued energies from Government at all levels there is a risk that Digital Britain’s ambitions will not be realised.

2. Consultation in England

The Digital Britain Report suggests that:

- * Consumers and citizens are being offered a decreasing range of local and regional media services.
- * Economic conditions are such that this reduction is likely to continue.
- * However changes in distribution mean *more* services are technically possible in the near future.

We do not fundamentally disagree with this analysis, but think that the digital future needs to be more actively promoted to citizens and consumers – so they can understand why Digital Britain matters and how it will impact on the social and economic development of the nations and regions. We’re excited by the future, and the vision this report proposes, but we think there needs to be a step change in engagement with citizens and consumers if they too are to be suitably enthused.

Therefore, we support the proposals outlined in the report to promote Digital Britain to a wider audience through the use of roadshows. However, we are disappointed that these plans do not seem to include events in England. Given the geographical size of the country, and that it accounts for some 84% of the UK population, and the significance of information and other digital industries, we think this is an oversight which should be remedied. This is particularly true for rural areas where issues around digital service availability and take up are just as applicable in the English Regions as they are for the Nations.

3. Broadband Take Up

As previously stated, we believe that more efforts need to be made to promote the benefits of digital technologies and the role it can play in keeping citizens and consumers better connected with each other and their community and how technology can unlock consumer choice, information and learning opportunities which can enable you to save money or explore new and existing passions in more depth than ever before.

We would like to see the final report, and its recommendations, place more emphasis on understanding barriers to broadband take up – acknowledging that this has slowed dramatically. In the last 12 months, take up increased by just 4%, leaving nearly 1/3 of households still offline.

Many people simply choose not to use the Internet, even when it is technically and economically accessible. Offering greater speeds alone will not drive further take up; products, content and services however may help, but people will still be able to choose whether or not to use this technology.

It is likely therefore that many people will continue to exercise this choice by not taking up relatively new technologies such as going online, but it is important that individuals make an informed choice and this can often be based only on some experience with using the technology. The government therefore needs to foster some creative approaches to introducing the Internet to those who have yet to experience or appreciate the potential of this technology for their everyday life and work.

Ofcom's research suggests that the Internet is very much an experiential medium. Some audiences do not understand what the Internet can offer them, or they are concerned about issues such as safety and security. A substantial increase in online take up will need a similar increase in the tools and skills needed to navigate this world.

Digital Britain's work in asking for a fresh look at the Nation's media literacy needs is therefore welcome, and we hope that the final report will not only look at the risks vulnerable groups may be exposed to in connecting to a digital world, but also the steps and tools which will be in place to safeguard them.

4. NGA

We welcome the roll out of NGA, but recognise that the market alone is unlikely to achieve universal coverage at speeds of 50Mbps and above. This is a particular concern for more rural areas; some - like the East of England - have a high GDP, but a widely dispersed population with few cities or even towns of any scale. As a result, there is comparatively little fibre to light. In lieu of the importance that NGA will have in terms of economic competitiveness – and in allowing users to have shared social and entertainment experiences – roll out to less profitable areas is a matter of concern for the Committee.

Just as we believe that wider efforts need to be made to encourage existing broadband take up, similar efforts will be needed for NGA particularly if the costs to end users will be more than current broadband packages. Users will need to understand the difference and determine whether any increases in cost are outweighed by the benefits of higher speeds. Therefore, we would encourage Government, Industry and Ofcom to work together to promote the benefits of NGA. This could be in the form of:

- a) regional roadshows,
- b) free tutorials in libraries, shopping centres and museums,
- c) requirement on public service broadcasters to carry programming that encourages understanding of social and economic benefits (e.g. adapting the BBC's 'Webwise' model to a 'Broadbandwise' offering).

5. Original – and Digital - UK Content

The Committee believes that original UK content will continue to be important to audiences and we see this as a key characteristic of both PSB and non PSB output. Local content will add to the distinctive advantages of a networked Britain.

The growing clusters of digital content creators/companies/small enterprises and even individuals (in the regions) are not represented by PACT - in fact have no national voice as it is an emerging industry, not yet fully organised. If new Terms of Trade relating to new digital channels are to be negotiated, the discussion should be held with all the new companies and other content producers that work in this arena - not just TV programme-makers - so representatives need to be identified and appointed to represent those interests.

In addition, since the demise of Culture Online there is no national route for high quality 'niche' digital content which is not commercially driven. The BBC may play a role here, but there is a need for seed funding the development of content and products (particularly for mobile devices) which represent our rich cultural/national heritage. This is key for tourism (regional and national), developing the talent of the 'rising digital generation', and will be in line with many of the aims of Creative Britain.

We recognise that the 4IP Fund could be relevant here, but it does not yet exist in all the regions as it is dependent on match funding by RDAs, and Channel Four's future to an extent hangs in the balance. Moreover, it may be that existing broadcasters are not the only – or indeed the best – people to occupy this space and we would welcome opportunities for both new entrants and existing institutions such as the British Museum or the National Gallery to be encouraged to operate in this space.

6. Local Media and the Future of Journalism

The Committee welcomes the emphasis that the Digital Britain report places on the plumbing needed to deliver the Government's digital ambitions, but we are keen to ensure that weight is also given to the poetry (i.e. content) which comes out of the other end. Arguably the area of biggest concern is around the future of local and regional media, and within that sphere - local journalism.

Local Journalism is vital for the health of local democracy – holding institutions to account – as well as providing for some journalists (although less than used to be the case) an apprenticeship which allows them to progress to national publications. For local journalism – on all platforms – to deliver benefits to citizens and consumers it needs a certain minimal level of investment as well as quality journalists and strong editorial leadership. Plurality also remains important, and there is a risk that all of this will be undermined due the steady decline of advertising revenues and the closure of numerous titles. This

frontline layer of journalism is also necessary as part of the overall ecology of a strong national journalism - if the stories aren't uncovered across the UK then they won't filter up to national/network level.

Local Journalism should not be left only to the BBC, or groups who can operate in big cities where mass circulation is easier to achieve (and thus advertising returns should be more profitable). As with PSB, journalism across all platforms requires plurality. Moreover, we are keen to redress the assumption that the BBC has a high investment in local journalism. Whilst BBC English Regions, and in particular BBC Local Radio, are well staffed compared to their commercial counterparts, it could be argued that it produces less originated journalism than the local press. In local radio many BBC journalists are station based preparing and presenting bulletins or programmes. This so called "air conditioned journalism" means that there are few opportunities to get out in the community to unearth stories. Online stories are fairly few and primarily text-based, in a Universally Connected age technology presents the means for stories to be much more multi-media, and much more multi-dimensional than they are at present.

Newspaper groups have, and continue to invest in online content, but they have yet to make this model pay. In the UK, much of this investment is in response to the threat from the BBC, a bid to ensure that the BBC does not enjoy a monopoly in this space.

It is argued that local newspapers may play some part as they develop video services, but this is unlikely in the current downturn and against the performance of their web services to date. With the BBC Trust deciding against the roll out of BBC Local Video services this means that we are unlikely to see this development in the near future, leaving local news and journalism lagging behind how national news is increasingly being delivered.

Clearly analysis needs to be undertaken to identify what the costs of delivering a rich seam of journalism via the web will be, as well as the different ways in which this can be distributed.

Of course it should also be noted that local news is often supplemented by other material which is equally important to citizens and consumers including sport, features, editorially interaction, comment, local weather and traffic news etc. All of this helps to contribute to greater community cohesion and the chance to build both social inclusion and social capital. Its importance therefore should not be underestimated.

7. DAB Digital Radio

The Committee welcomes proposals to expand DAB Digital Radio as we are concerned that without this expansion radio risks being left behind in the digital revolution. We understand the benefits that are afforded to listeners through DAB Digital Radio, however we do have some concerns that "better" technologies may be available or may emerge which risk making DAB redundant.

Current proposals state that migration should commence when coverage reaches 90% for local services, plus all A roads. We understand the rationale behind this approach, but would like to see more extensive coverage, reflecting the role that local radio in particular can play in supporting local communities.

Local radio services attract a significant number of solus listeners who rely upon local stations not just for entertainment but also for crucial functional information: from school closures and travel news to civil contingencies information (such as the Buncefield fire, Cumbria floods and the 'Cleveland protocol' which relies upon local radio to warn and inform residents of Teesside about incidents at the many chemical plants nearby).

Unlike national radio services, local stations are not universally available on digital TV platforms, and it's unlikely that this situation will alter at any point in the near future. Therefore these services will only reach a digital audience if they are part of a local or regional multiplex. These are all commercially operated and are therefore reliant on this multiplex being viewed by investors as being commercially viable. In light of the difficulties faced by the commercial radio sector – and the cost of dual transmission – we are concerned that many companies will not be able to invest in these multiplexes for some time. This will result in vital local services being unavailable to digital audiences. We would therefore welcome creative solutions to negate this issue.

The planned approach to migration is being driven hard by industry but lacks a citizen and consumer focus. It risks disenfranchising rural listeners (who may not live near an A road) and those consumers of local services who rely upon stations for functional information. DAB gives little incentive to switch (a handful of additional services compared to the array of TV channels available in the digital domain) but considerable expense and significant risk of losing much-valued services. Consumers would be therefore better served by strengthened guarantees on higher coverage levels, before migration is triggered.

8. Closing Remarks

The Ofcom Advisory Committee for England welcomes the opportunity to respond to this consultation and we would be very happy to discuss our views and opinions in more detail should this be welcome.

Thank you for taking the time to read our submission.

William Dutton

Chair, Ofcom Advisory Committee for England