

Digital Britain – The Interim Report

A response from the Ofcom Advisory Committee for Scotland (ACS)

1. Introduction

Ofcom's Advisory Committee for Scotland (ACS) welcomes the opportunity to respond to the Digital Britain Interim Report. We consider the report to be timely. Many of the points made concern issues already discussed in ACS, as reflected in its minutes and submissions to Ofcom's various consultations. In this response, we concentrate on aspects of the interim report of particular relevance or importance to Scotland. We recognise the fast moving environment in which Digital Britain is being produced. As we note in our conclusion, there are some issues that are of especial interest to us and we wish these to receive full attention.

2. Response to Questions

Our responses relate to the relevant Action points for ease of reference.

Action 1

As we have urged in the past, where it is already clear that market-led investment in NGA is not going to take place, the UK Government should start planning to do something about it now. We should not wait for market failure to further deepen the digital divide. The Government-led strategy group should include representatives from the Scottish Government, which is currently implementing 'notspot' solutions for basic broadband in Scotland.

Action 4

The points discussed under Action 1 remain valid. The 'value for money' to public agencies (government, local authorities, health services, etc) of having a fast broadband network widely available to deliver services in sparsely populated rural areas should be taken into account. We should

look beyond what broadband is currently used for in the UK when calculating possible returns, taking into account initiatives that have been shown to be possible in Europe (e.g. Nuennen) and those elsewhere in education and healthcare.

Action 5

We would welcome the opportunity of working with the Community Broadband Network, but this initiative needs better to acknowledge the diversity of the United Kingdom. It is involved in projects in Scotland (e.g. Angus Glen) but has a very low profile here. For example, the 6 NextGen Roadshows scheduled for the next year are all in England.

Action 6

- d) We have encouraged network sharing for some time. It is particularly important in rural areas where the terrain is such that towns and villages 10 miles apart may each only have access to a single, different network.
- e) We have concerns about too much dependence on mobile broadband as a solution for large areas not reached by market-led Next Generation broadband. There are early indications that mobile companies cannot sustain the current pricing structure for mobile broadband due to the high cost of network equipment. As usage grows they may have to shift to a model where users are charged at peak and non peak rates, on a per Mb basis, leading to a much higher cost for the consumer. This needs to be taken into account when considering the viability of mobile broadband as a key solution for USC in areas where there is market failure.

Action 8

We are pleased to see acknowledgement that the marketing and communication activity around digital switchover could be used more widely. We already suggested this in the context of media literacy last year, when switchover was occurring in the Borders. We consider that this

should be added to Digital UK's official remit to ensure wider public dissemination of key developments in the field.

Action 9

b) We ask for clarification of what is meant by a 'major road'. In particular, we would hope it includes all A roads in UK. There are long sections of key A roads in Scotland with no FM coverage (for example, the A9 between Perth, Inverness and Thurso) and this has implications for road safety and traffic management, particularly in poor weather conditions.

d) We fully support extending digital coverage by the BBC. There is an odd restriction on licensing which means that listeners to BBC Scotland on digital cannot get their local opt-out news services. Since this includes important traffic information, this needs to be resolved. Rural Scotland is particularly poorly served by DAB coverage, we would encourage investigation into an imaginative solution which provides some of the commercial services too on the back of the BBC's further development of this service (there has been some discussion about how this might tackled in the industry).

f) Regarding community radio, we support the principle of extending licenses although a test is needed to check that they are delivering something worthwhile, and not simply blocking alternative groups from providing a better service. There are some anomalies widely regarded as unfair which need to be cleared up: for example, some community radio stations are currently not allowed to take any advertising at all because they are in a small ILR station's patch. The 50% rule should possibly be reviewed, but is less of an issue now that volunteer time can be counted against it.

g) Ofcom did review localness legislation quite recently. We would like to caution against relaxing the legislation too far. If the bigger groups want to maximise profits they will keep centralising and this is not what the licenses were issued for. The real test would be if some of the local

licenses were readvertised – would there be applicants? The answer is probably yes in most cases. In some places (Stroud, for instance) a commercial who hands back a licence may be ‘replaced by a community licensee providing a truly local service.

Action 14

We welcome Digital Britain’s recognition that ‘high quality impartial news’ is needed at the level of the nations. We also welcome the statement that ‘creative talent clusters’ should be supported in the nations and regions through regional production quotas. We would underline the importance of the statement that ‘the over-riding priority is for investment in UK original content at scale and, within that, high quality impartial news, both at the UK and international level and for the devolved nations and English regions.’

ACS has repeatedly discussed the various options that might be addressed to secure plurality of news provision in Scotland. We would have concerns about a BBC news-gathering partnership with stv, on the ground that such proximity would require major safeguards to ensure that distinct operational decisions were taken regarding news agendas. We are not convinced that this is a workable or desirable solution. The question of possible contestability for Channel 3 news takes a particular form in Scotland, given the existence of stv as an incumbent broadcaster with a well-recognised brand. While we cannot exclude other market entrants, we think this is unlikely at present. We have also discussed the possibility of Channel 4 – under a new set of arrangements – developing a nations and regions news reporting capacity. ACS is fully aware that given the volatility of the situation, there is little point in stating a firm preference at this point – other than to underline its firm conviction that plurality needs to be secured in Scotland.

ACS has focused on PSB questions throughout its existence and made submissions both to Ofcom and to the Scottish Broadcasting Commission (SBC). We recognise the turmoil presently prevailing in the advertising-

supported television sector and the high levels of uncertainty about the future of ITV, Channel 4 and Five. The future of stv, the prime terrestrial competitor to BBC Scotland, is also uncertain.

Ofcom and the SBC have both provided material for reflection on the specific model of PSB that might eventually develop in Scotland. We wish to underline to the Digital Britain team that ACS has taken cognisance of the unanimous support in the Scottish Parliament for the idea of a Scottish Digital Network, although, of course, we are well aware of the unresolved questions arising about funding, the form to be taken by a channel or fund and what it might commission and what governance might be set in place. How such a network might relate to stv and BBC Alba are also issues under discussion.

The choices that are to be made – which are regarded as very important in Scotland - have a considerable bearing on the vitality of the creative economy in Scotland. They also have a profound relevance for the support offered for Scottish democracy through securing a plurality of news and journalism, which all the evidence shows is highly valued by the Scottish public. We take the view that it is essential both to reinforce the scope and scale of television and radio production north of the border and also to secure a diversity of information and cultural programming.

We do wish to see this debate properly reflected in Digital Britain's future thinking.

Action 15

ACS welcomes a review of the Terms of Trade between independent producers and broadcasters in light of changes in technology and new entrants. It is essential to address rights issues in the multi-platform, digital ecology.

Action 16

ACS is following with considerable interest the debate about the future of Channel 4. The dizzying succession of proposed solutions to Channel 4's economic viability make it pointless to offer a settled view at this point. We would simply underline our strong support for an alternative PSB to the BBC, which we regard as a crucial to the competitive functioning of PSB in the UK as a whole.

Action 17

We have been arguing for a USO or USC to be taken seriously for several years and so especially welcome this action. We consider that the **minimum** speed should be 2Mb/s. In fact, in the current fast-moving technological climate, a 2Mb/s target should probably be viewed as a moving target. We do not wish to cut ourselves off from a higher minimum speed if 2Mb/s has become viewed as inadequate by 2012, which seems highly likely. Decisions taken on this question have a major bearing on overcoming the digital divide.

Action 18

We are in favour of a fund for the USC, and look forward to seeing detailed proposals on this.

Action 19

We fully support the need to encourage higher digital take-up. However we also need to guard against sections of our society from being isolated and marginalised. We look forward to finding out what a Digital Inclusion Champion does in practice, particularly in terms of joined up thinking between UK and Scottish Government initiatives.

Action 21

As discussed above under Action 19, a wholesale shift to delivering public services on line has to be balanced with face-to-face and other methods, which retain a high value for social and cultural reasons. In some parts of Scotland, the delivery of health and other e-services is particularly

important, but this cannot be considered a wholesale substitute for a range of other ways in which service are delivered.

Action 22

The Advisory Committee for Scotland has been in the vanguard in taking media literacy seriously and welcomes the National Media Literacy plan. However, it is crucial that media literacy is not narrowly defined solely as technical digital literacy. It is **media** literacy, which means not just being able to understand and use technologies but also includes a sophisticated awareness of how to use sources, to evaluate their reliability, understand where they come from, which to trust, how to protect yourself from unwelcome intrusion and surveillance, and how to understand the driving forces that shape socio-technical change in this key area of life.

3. Conclusion

We wish to underline the following:

1. The particular importance of a Universal Service Commitment for Broadband. The cost of a fast network infrastructure is relatively small when compared against the costs of other vital public service infrastructure such as roads, water, electricity etc, and the savings in time, money and possibly lives, could be significant.
2. The need to recognise more fully the Scottish context in future thinking about the organisation and delivery of PSB. The devolved nature of the UK means that the democratic, cultural and economic needs of each component nation cannot be met by a single, undifferentiated approach.

Ofcom Advisory Committee for Scotland, 6 March 2009