Meeting of the Ofcom Advisory Committee for Scotland held at the Ofcom Scotland Offices, 125 Princes Street, Edinburgh

Wednesday, 21 February 2018 – 12.00-17.00

Present:

Laura Alexander – Chair ACS
Liz Leonard - ACS
John Trower – ACS
Ian Mackay – ACS
Carmel Teusner – ACS
David Connolly – ACS
Laura Anderson – ACS
Amanda Britain – ACS (Consumer Panel Member for Scotland)
Philip Schlesinger – ACS (Content Board Member for Scotland)
Bob Downes – Ofcom Board Member for Scotland

Glenn Preston - Ofcom
Alan Stewart - Ofcom
Jonathan Ruff - Ofcom
Matt Hall - Ofcom
Steve Gettings – Ofcom
Katie Pettifer – Ofcom
Jenny Borritt – Ofcom
Adam Capstick – Ofcom

Action

1.	**Welcome and apologies**	
1.1	No apologies or conflicts of interests were declared.	
1.2	LA welcomed the new ACS members and the new Ofcom Board Member for Scotland to the meeting.	
2.	**Minutes of the previous meeting of 8 November 2017**	
2.1	JR flagged that the Ofcom research on consumer engagement was yet to be published.	
2.2	ACS agreed that the proposed meeting between members and the WLA team was not necessary.	
2.3	Members noticed that there was two items 2.6 on the minutes from the last meeting. MH to amend.	**MH**
2.4	A presentation from Enders Analysis had been provisionally included on the agenda for the ACS meeting in May.	
2.5	JR agreed to share with ACS a more detailed breakdown of Royal Mail's USO prices.	**JR**

2.6	Attendees were informed that the ACS and Channel 4 had both submitted responses to the Culture, Tourism, Europe and External Relations Committee's Screen Sector Inquiry.	

2.7 JR agreed to check he had sent LL the slides from the Cross-Party Group on Digital Participation meeting in October and said he would add AB and new committee members to the invite list for the CPG. **JR**

2.8 It was agreed that Ofcom would circulate the review of S4C's governance. **AS**

2.9 GP said that Channel 4 clip reel was not circulated as it wasn't working. Members agreed that it was no longer necessary to send around the video.

2.10 AS updated the ACS on engagement he had had with Scottish universities over their collaboration with STV2. AS agreed to contact the relevant establishments in the North East on the subject. **AS**

2.11 AB summarised the Consumer Panel's view on a broadband USO. The Panel agreed that a USO should be designed so that it can be flexible as time goes on and that 10mbps should only be a minimum, starting point.

3. Matters arising

3.1 No matter arising that required further discussion

4. Director's Report – Glenn Preston

4.1 The meeting with COSLA was highlighted where the possibility of secondments between the organisations was discussed, as well as Ofcom's potential attendance at a COSLA governance session to present on Connected Nations.

4.2 GP also highlighted the CMA board meeting and evening reception that Ofcom had hosted and attended, noting the CMA's intention to expand in Scotland using a model similar to the one adopted by Ofcom.

4.3 The committee was advised that Ofcom continued to look at the question of how the USO and R100 intersected and that there was ongoing discussion with the Scottish Government on the issue.

4.4 JT questioned the USO cost projections produced by Analysys Mason. JR to discuss this with the USO team. **JR**

4.5 GP gave a brief summary of Ofcom's appearance in front of the Scottish Parliament Rural Economy and Connectivity Committee.

4.6 GP flagged Ofcom's work around our Out of London guidance and our role in MG Alba's operational plan and Board reappointments.

5. General policy/political update

5.1

5.2 Two areas were highlighted: the technical work Ofcom is doing with Government on Brexit, and fake news.

5.3   BD asked about the digital infrastructure taskforce. ACS were given a brief
        explanation of how the taskforce originated and Ofcom's future involvement in its
        ongoing work.

6.   BBC Scotland BCA

6.1   The team took the committee through the current state of play and forward
        timetable and invited ACS members to comment.

6.2   ACS members queried where the BBC was planning to recruit additional journalists
        from, expressed concern that the BBC's plans for increased public value were not
        sufficiently ambitious and discussed whether the BBC should reduce its broadcast
        hours to 7pm to 10:30 with a focus on improving the content of the channel.
        Committee members also noted that take-up of the proposed channel was
        particularly low (1%) and that the 9pm news programme would be unlikely to
        attract people.

6.3   The Committee was concerned that the BBC's proposal might not achieve the level
        of public value it had predicted. It questioned how Ofcom would be able to ensure
        the service effectively matched what it had promised at its inception.

6.4   Ofcom stressed that it wasn't the role of the regulator to determine the potential
        public value of the proposal. However, we will be able to review the performance
        of BBC Scotland as part of a separate workstream.

6.5   ACS asked to see the full research carried out on consumer attitudes to the   **AS**
        proposed new channel.

7.   Brexit update

7.1   ACS were briefed on the latest developments in Scotland relating to Brexit.

7.2   BD suggested that Ofcom may want to look in more detail at the implications of
        Brexit on net neutrality. BD noted that the FCC in USA had recently amended net
        neutrality rules.

7.3   LA flagged a typo on page 7 of the paper. Should say that Ofcom have no formal
        role in R100.

7.4   The Committee discussed the impact of Brexit on immigration. LL asked if there
        was a more detailed breakdown of which sectors EU migrants are working in within
        the "Creative Industries". ACS was advised this hadn't been found but evidence to
        DCMS suggested majority of EU migrants working in broadcasting and production
        sectors are based in London.

7.5   BD said that software entertainment industry has more EU nationals in Scotland.

7.6   PS flagged the impact on producers' ability to set up co-productions and suggested
        Ofcom could do more to influence the wider debate. KP said Ofcom is inputting
        technical advice into DEXEU on the sectors we regulate.

| 7.7 | JT and BD suggested there may be benefits from State aid rules changing, with more flexible allocation. JT suggested we have conversations with the Scottish Government and the UK Centre of Excellence on State Aid. | |

| 7.8 | IM suggested that Ofcom initiate a wider public discussion about the possible regulatory scenarios following the UK's withdrawal from the EU. | |

| 7.9 | LA suggested that other nations might consider doing similar presentations with discussion at a future Nations Committee, and agreed to raise this at the next Nations Committee. | **LA** |

8.   Media Nations Report

8.1   The team presented a paper outlining their intentions for a Media Nations report. The ACS welcomed the report and saw it as a useful addition to Ofcom annual research publications.

8.2   The committee questioned the name of the report and said they thought it implied that the report would include print media. The team agreed and said the name was still under consideration.

8.3   JR suggested that the report may benefit from including some political context, with details on the Scottish and UK Governments' respective digital strategies.

8.4   The ACS asked if industry would get an advance look at the report before it is published. The team explained that they have a good relationship with industry, they aggregate confidential information, and that industry will get advance sight of the report.

8.5   The ACS questioned whether the report could examine the economic impact on the production sector of repeats, particularly on the different nations. The team said that they collect data on spend on content output for viewers in Scotland and they break that down by total versus original. The team said they'd think about how they could examine the wider implications to the economy.

8.6   PS said that the communications strategy for the report would be important, particularly given the proposed length.

8.7   Some of the ACS suggested that they thought it was odd to separate the report from Connected Nations, given the Ofcom is a converged regulator and people increasingly watching content online. However, they did accept that this would result in a very long publication.

8.8   AB suggested incorporating the "Access Services" report into the new publication and requested the opportunity to comment when drafting these sections.

9.   Local TV Locations Consultation

| 9.1 | ACS was briefed on the feasibility tests applied by Ofcom underpinning the proposal that Comux should no longer be required to fund the extension of the local TV network to additional locations including Inverness and Forth Valley. LA asked how Ofcom would communicate this and GP said consideration would be given to briefing the relevant local politicians. | **AS** |

10.   Post update

10.1   It was explained that delivery surcharges in Scotland has become a particularly prevalent issue in recent months with Ofcom due to give evidence to the Scottish Affairs Committee.

10.2   PS remarked that the situation reminded him of nuisance calls with the issue getting passed between organisations.

10.3   The ACS suggested publishing more data on the charges consumers face, and what they should have to pay, might be the way forward. They said that naming and shaming companies can make a difference. The committee suggested that if Ofcom can't publish/collect data on retailers then it may be worth coordinating publications with other organisations. The committee said that it would be good for consumers to understand how much they should expect to pay normally/on average for a delivery.

10.4   IM said that there is often a software issue behind this with retailers (e.g. Amazon) websites selecting delivery companies that are cheapest for the company, when there would be cheaper options such as Royal Mail for the customer.

10.5   The ACS felt that people are more accepting of higher surcharges for larger items.

10.6   The ACS commended Ofcom for its work to identify factors that can lead to surcharges, particularly separating out "common sense" reasons why prices are higher, since it is when these factors don't appear to apply that people consider surcharges unfair.

10.7   JT said that the issue is wider than surcharging and there are also problems with companies refusing to deliver to certain areas in Scotland.

10.8   The committee questioned what the role of the Communications Consumer Panel could be.

10.9   The committee also suggested that Ofcom may want to look at international comparators and whether there were any solutions other countries had adopted.

11.   700 MHz Consultation

11.1   ACS members were updated on Ofcom's proposals for the upcoming 700MHz spectrum auction. Ofcom would consider national sub-targets to safeguard an equitable spread of coverage benefits. The view of what can be achieved through the auction was still being refined through stakeholder engagement in the run up to consultation from March 2018.

11.2   ACS members were given an overview of current mobile coverage levels across the UK. It was explained how the existing obligations had helped drive mobile infrastructure rollout. Ofcom had recently refined its view of mobile signal strengths to more accurately reflect consumer experience. However, the existing obligations would be assessed on the previous metrics.

11.3   It was explained that the 700 MHz band is the last low frequency, wide area spectrum available for release. Ofcom identified it as suitable for future coverage obligations in the Digital Communications Review.

11.4   Ofcom's priorities are to broaden the availability of good coverage over wide areas and improve in premises coverage for the small number of premises who have nothing (complete not spots). Ofcom is also keen to explore possible improvements in road coverage.

11.5   ACS members were reminded of the significant differences in the starting positions of the nations of the UK, particularly with regard to wide area coverage. The team accepted that differences in geographic coverage will remain but there are opportunities for greater equivalence across coverage of wide areas and premises. The team felt the proposals would ensure that the nations enjoy a significant proportion of the overall rollout of obligation holding MNOs, and intend that those with the worst coverage now, will benefit the most.

11.6   There was a brief discussion about any interaction with the UK Government's Emergency Services Network (ESN). Some ACS members raised concerns about the progress of the project and whether it was ready for network operator sharing opportunities. This issue would be discussed at the next Nations Committee.

11.7   JT said that he had several detailed comments on Ofcom's proposals and suggested   **JR**
         a separate session with the project team. JT explained he was particularly interested in the following:

- transient populations in Scotland
- cost assumptions for infrastructure rollout
- network carrier aggregation
- new antenna
- concerns about the lack of infrastructure in Scotland
- metrics for measuring new obligations, with a particular focus on data coverage (minimum speeds of 2Mbit/s)
- consumer information and Ofcom's role

         JR said he would look to arrange a meeting between any interested ACS members and the mobile coverage team in the coming weeks.

11.8   It was explained that Ofcom was keen to avoid being overly prescriptive on locations and wanted to give the network operators as much flexibility as possible

11.9   ACS was advised that the UK Government wanted to see as much utilisation of coverage obligations as possible.

12.   Consumer Panel/ACOD Presentation

12.1   The CCP/ACOD report to the ACS showed the challenges some people face using access services. AB said that there was nothing to suggest that people in Scotland were disproportionately affected.

12.2   LA asked about subtitling for Gaelic programming. AS said that programmes tend to have English subtitles as opposed to Gaelic, apart from news.

12.3   The committee questioned how automated subtitles are. AB said that automated subtitles can still lead to accuracy and quality problems. There was a short discussion about the future of broadcasting and whether obligations should be extended to other, less-traditional content providers. AB outlined some of the Panel/ACOD's recommendations to Ofcom to help improve the quality of access services i.e. technical standards, monitoring complaints – the full list can be found on the Consumer Panel website.

12.4   AB highlighted that Ofcom now had new powers in this area via the Digital Economy Act 2017. She encouraged consideration of how best these powers could be used to deliver improved access services.

12.5   LL asked how charities responded to the findings in the report that showed awareness of access services is low. In discussion, it was suggested that awareness may improve over time.

12.6   PS flagged the bi-annual TV access services report Ofcom produces.

12.7   JR said the EU legislation underpins much of Ofcom's powers over access services and asked whether the team had given thought to the potential impact following withdrawal from the EU.

12.8   JR suggested that this may be a good topic to present at the Cross-Party Group on Digital Participation. JR agreed to follow up with AB separately.   **JR**

13.   Content Board update

13.1   PS outlined the history, remit and issues surrounding the Scottish Screen Unit and briefed ACS on the discussion about the unit at the Scottish Parliament's Culture Committee. There was a need to develop a coherent policy for the Scottish screen sector in the light of changes in content consumption patterns.

13.2   PS provided feedback on matters discussed at the Content Board meeting on 30 January. Key items on the agenda were:

- BBC competition issues
- Diversity in broadcasting
- Brexit monitoring and future of AVMS Directive
- Access services policy
- Licensing – particularly DAB
- Local TV
- Local radio deregulation
- Outside of London Programme Guidance Review
- Editorial standards process
- Rules for the digital watershed
- EPG prominence
- Mediatique presentation
- Beyond Broadcast

LL asked if ACS could have sight of the Mediatique presentation. PS said it would be good to have it presented.   **AS**

14.   Nations Committee update

14.1   LA updated ACS on the discussions at the last Nations Committee on 700MHz work and the consultation on geographic roaming. The other matters discussed at the meeting were on the ACS meeting agenda.

15.   AOB

15.1   Members were reminded that the ACS submission on diversity and inclusion was due to be the submitted the day after the meeting.

15.2   GP referred to ongoing work on appointing a new Chair of ACS.

15.3   JT referred to Vodafone and City Fibre's announcement of new investment in Aberdeen. He also said the SCDI's Fourth Digital Report looked very informative. JT also suggested it may be worth asking Jim O'Donnell, who is behind the proposal for the Pentland Film Studio, to address ACS.

15.4   LL updated ACS on plans by C4 in respect of its news service in Scotland.

15.5   LL paid tribute to LA and thanked LA for her contribution to ACS, including her term as Chair. LA thanked the committee for their best wishes.