

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

Tuesday, 19 September 2018 – 10.30-15.30

Present:

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

Glenn Preston - Ofcom
Alan Stewart – Ofcom
Jonathan Ruff – Ofcom
Joseph Powell – Ofcom
Steve Gettings – Ofcom
Emma McFadyen – Ofcom (by VC)
Katie Pettifer – Ofcom (by VC)

1. Welcome and apologies

1.1 No apologies were received.

2. Members interests

2.1 No member interests declared.

3. Minutes of previous meeting of 21 June 2018

3.1 No amendments required to the previous meeting notes of 21 June 2018.

4. Matters arising

4.1 No matters arising.

5. Director's Report

5.1 GP provided ACS members with an overview of his Ofcom Scotland Director's report including; recent engagement with the Scottish Government and other key stakeholders. GP also reminded ACS members of the new ministerial appointments following the Scottish Government Cabinet reshuffle. GP also provided ACS members with an overview of the key announcements from the Scottish Government's Programme for Government, which was launched on 5 September. GP highlighted important upcoming BBC publications, including Ofcom's BBC Annual Report and Representation and Portrayal report.

6. General Policy/Political update

6.1 6.1 KP provided ACS members with a general update on Ofcom's current policy areas and their political implications, including online regulation and mobile coverage.

- 6.2 LL asked if KP wanted to add anything in a specifically Scottish context. JR and GP responded that mobile coverage targets were an area of focus for the Scottish Government on which engagement continued with both Governments.
- 6.3 BD commented that Ofcom should try and ensure as much coverage is delivered as possible. JR pointed out that this needed to be balanced with commercial feasibility, something affirmed in a recent meeting with BD at BT.
- 6.4 JR raised discussions between BD and BT around community led initiatives for coverage, to which CT noted that joint payment between provider and community had been discussed recently.

7. Future Role of the Advisory Committees

- 7.1 In line with discussions with other Advisory Committee's, EM introduced papers relating to a reassessment of the future role of the ACS.
- 7.2 LL stated it was important the role of the ACS was properly understood within Ofcom, as well as highlighting the role of the Nations Committee.
- 7.3 DC suggested further training for the ACS might be useful specifically on telecoms, with GP pointing out that Ofcom has many training packages available on such topics which could be adapted for committees.
- 7.4 IM commended the author of the paper for its robustness, adding that its discussion of how Ofcom colleagues interact with the committee and the cultural around it was very important.
- 7.5 LA welcomed discussion of training opportunities, suggesting it might be helpful to have a series of 'Intro' To's' for the committee. The ACS also agreed it was important Ofcom colleagues could engage freely and openly with them.
- 7.6 JR discussed adding a section on Advisory Committee's to the 'Intro to Nations' presentations to provide Ofcom colleagues with a fuller idea of their purpose.
- 7.7 Further to this GP suggested ACS members speaking at management team meetings, as well as short videos on Ofcom's 'Loop' intranet to foster greater awareness of Committee members.
- 7.8 AB added that going forward understanding of the Committee's role as well as the way in which discussions are structured were the paramount considerations.
- 7.9 LL summarised and gave the Committee's approval to the paper.

8. Commercial Radio – External Speakers: Graham Bryce (“GB” – Bauer Media) and Adam Findlay (“AF” – New Wave Media)

- 8.1 GB and AF briefed ACS on their respective views of the commercial radio market covering consumption, innovation and national and local advertising.
- 8.2 The ACS's discussion covered the following areas:
- Radio services provision in Aberdeen.

- The potential for innovation – rules covering location of production.
- Which content attracted the best audiences.
- Which measures would be introduced first with de-regulation.
- Increased consumer choice.
- The potential use of FM frequencies for commercial radio.
- Innovation affecting in-car services.
- Geographical restrictions on introducing DAB.
- Advertising rules.

8.3 AS referred to the complex range of factors which had a bearing on the radio sector in Scotland including the independent decision making by Ofcom's Broadcast Licensing Committee. LL thanked GB and AF for the valuable insight they had provided to the ACS.

9. Commercial Radio deregulation update

9.1 The team briefed ACS on progress with the radio deregulation consultation. ACS was asked for its views on the approved areas.

9.2 There was a broad ranging discussion covering the following issues raised by ACS members:

- The role played by approved areas in a Scottish context.
- Input versus output in regulation.
- The lack of adequate up-to-date research covering attitudes and consumption in Scotland. ACS was advised that online research had been carried across the UK to ensure Ofcom got a range of perspectives.
- Concern about local radio provision. ACS was advised that the proposals would not force stations to withdraw from local commitments and licence requirements would still apply.
- The continuing importance of local news, traffic and weather especially during commuting times.
- The increasing prominence of music streaming available with the potential to dwarf radio provision.
- The desirability of protecting the local public service aspects of radio content.
- The need to regulate for localness.
- Introducing minutage quotas.
- The context of revenue increasing for local radio since 2010.
- The longer-term risk of local stations closing and talent moving to London.
- Ofcom's duty to ensure diversity of voices.

9.3 LL said that discussion should continue. The team advised a paper was due to be considered at Ofcom's Content Media Policy Steering Group. The published statement was scheduled for the end of October. It was agreed to report back on views from the other Advisory Committees and come back to ACS. **Action - GP**

10. Scottish Government consultation on Consumer Scotland

10.1 *As a result of poor weather and adverse travel conditions the ACS agreed to take agenda items 10 and 15 out of committee for further discussion.*

11. Annual Plan update

11.1 The Annual Plan team introduced the paper and provided ACS members with an overview of Ofcom's proposed priorities and work programme for the 2019/20 financial year. The team also welcomed ACS members' views on ways to engage with stakeholders in Scotland and whether the plan adequately reflected the interests of Scottish citizens and consumers.

11.2 Key areas of work were outlined which are a common priority to all Nations and regions, including:

- Improving fixed and mobile coverage and connectivity, including in rural and remote areas;
- Ensuring broadcasting represents and accurately portrays UK society;
- Engagement with the future of online regulation debate;
- Implementing Ofcom's cyber related functions; and
- Preparing for Brexit

11.3 The team also highlighted areas of work of particular importance to Scotland based on early discussions, including:

- Improving mobile coverage in rural areas and challenges unique to Scotland;
- 5G deployment in Scotland;
- Deploying a fixed broadband USO in remote or geographically challenging areas;
- Engaging on proposals for a new Scottish consumer body, and continued engagement with the Scottish Government, local authorities and relevant cross-party groups; and
- Developing areas of work in relation to BBC Scotland.

11.4 Some ACS members had highlighted other areas of concern that the team might want to reflect in the draft plan. LL said she was broadly happy but raised issues around the new BBC Scotland channel that would need continuous monitoring (such as funding and impact on the broader media landscape). AB said she was concerned about the lack of detail on 'quality of service' issues and drew on recent Communications Consumer Panel research. BD agreed with AB and highlighted the reliance on the Openreach network in Scotland. LA also wanted the team to consider the needs of vulnerable consumers; noting the lack of detail in the plan on steps to encourage digital inclusion.

12. Broadband USO and 'Reaching 100%' update

12.1 The Committee noted that an expressions of interest document for the Broadband USO had been published in June to assess Universal Service Providers and regional designation. BT had put themselves forward nationally, as well as KCOM in Hull, Broadway Partners in parts of Scotland and Hyperoptic in various UK cities.

12.2 Ofcom now had to consider if the bids were viable and if objectives could be delivered quickly and efficiently.

12.3 The Scottish Government's R100 programme and its interaction with the Broadband USO was discussed, covering where vouchers might be appropriate and the timings between the two programmes. Meetings had been held with the Scottish Government to discuss this and more would be held in the future.

12.4 JR highlighted the Scottish Government's recent statement that R100 contracts are intended to be awarded in the first half of 2019.

13. Spectrum auction design and mobile coverage project

13.1 ACS members were provided with an overview of the key objectives for this project, including:

- Securing optimal use of spectrum, including timely availability to meet consumer demand;
- Ensuring the wide availability of communications services to citizens and consumers, including enabling widespread improvements in mobile coverage across the UK;
- Ensuring that consumers and businesses continue to benefit from strong competition in the provision of mobile services

13.2 The spectrum award was seeking to deliver improved coverage in rural areas. A short discussion about the proposed national coverage targets followed with the committee noting that consumers in Scotland should see the biggest uplift in coverage.

13.3 It was explained that some stakeholders considered the nations targets to be inadequate and wanted to see further equal geographic coverage across the UK. However, it was also noted that some operators had questioned whether the benefits of Ofcom's proposed intervention were proportionate.

13.4 There was a short discussion about the initial coverage target for Scotland and whether this would change in light of stakeholder representations.

14. Brexit update

14.1 This agenda item was taken out of committee for discussion

15. Consumer Panel/ACOD update

15.1 AB highlighted key elements from the CP/ACOD report including:

- Independent research into complaint-handling and Alternative Dispute Resolution;
- The Panel's Annual Report had been published over the summer;
- A Panel response to BEIS' Modernising Consumer Markets consultation
- A Panel response to Ofcom's consultation on a proposed cap on the cost of calls to directory enquiries (an issue which had been debated in the Scottish Parliament).

15.2 The Panel would also coordinate with the ACS on responses to the Scottish Government's consultation on the creation of Consumer Scotland.

16. AOB

16.1 The Committee discussed efforts to fill the telecoms specialist vacancy, noting that adverts would be published in October/November.

16.2 LA and AB committed to reviewing a consumer paper and feeding back to the Committee.

16.3 LL voiced her appreciation for AS' hard work and diligent approach over many years supporting the ACS. AS thanked the committee and recalled his experience over varying Committee formulations and structures.

16.4 The Committee thanked SG for his involvement with the Committee and wished him well for the future.

16.5 The date of the next meeting (27 November) was discussed and noted.