



**Ofcom Consultation: Designation of Public Service Broadcaster  
Internet Programme Services (the “Consultation”)**

**Consultation Response from  
STV Group plc**

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## **Ofcom Consultation: Designation of Public Service Broadcaster Internet Programme Services (the “Consultation”)**

### **Introduction**

STV welcomes the opportunity to respond to the Consultation, as part of Ofcom’s continuing implementation of the Media Act 2024.

As noted in the Consultation, prompted by the emergence of streaming and on-demand services offering audiences a plethora of choice and flexibility as to how and when they consume content, the UK broadcasting landscape is undergoing a rapid shift towards online viewing. Whereas linear broadcast commanded 64% of viewing in 2018, it is forecast to only account for 33% in 2030<sup>1</sup>. STV recognises that it therefore needs to adapt and offer its audience the ability to engage with its channel and content in a manner and within an environment that suits their ever-evolving needs and habits, namely online and/or on-demand via the STV Player.

The STV Player enables STV to reach an audience both incremental and different to its linear service, thereby providing increased exposure to its Public Service Broadcast (PSB) content:

- An increasing number of homes have no access to television services via DTT, satellite or cable. Such “IP-only” homes represented 24% of UK households in 2024, and are forecast to represent 61% of homes in 2030 (source: 3Reasons). Whereas some of those still have access to a traditional EPG via IP-first services such as Sky Glass or Virgin Media’s Flex, the majority are only able to access PSB content via IPS.
- The audience profiles for its broadcast and Internet Programme Service (IPS) are noticeably different (Source: BARB, Jan’25)
  - STV: 61% female, 29% under 55yo and 38% ABC1
  - STV Player: 49% female, 57% under 55yo and 49% ABC1

Our STV Player provides viewers with greater opportunity and flexibility to view PSB content, whether that is by way of a preview, catch up or archive window and enables us to personalise and enhance the viewer’s experience, for example, by recommending programmes based on their preferences.

Importantly, STV Player also enables STV to make available a wider selection of content online than appears on our linear channel. That selection is designed to be attractive to both our ‘traditional’ linear viewers and a wider audience. This editorial strategy not only provides an important revenue stream for STV, it encourages more viewers to engage with STV Player with a view to also helping them discover the wealth of PSB content they might not otherwise seek out.

STV recognises that the Media Act 2024 seeks to ensure that public service content is available, prominent and easily accessible on connected TV platforms, referred to as ‘television selection services’ (TSS). To achieve this, the providers of designated IPS will have to make their service available to designated TSS (referred to as regulated TSS or RTSS) and the providers of RTSS will have to ensure that PSBs’ designated IPS, and their public service content, are made available and prominent on their RTSS. Our view is that this objective is best served by ensuring the existing Public Service Broadcasters, including STV, transfer to

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<sup>1</sup> Source: Enders Analysis; ONS, BARB/AdvantEdge, Comscore; BASE, industry research

new platforms where their PSB content remains easily available and discoverable by viewers. In furtherance of the above, it is critical for STV to achieve designation as a PSB Internet Programme Service Provider.

Our response to Ofcom's consultation on the Statement of Methods to be applied by the regulator in exercising its designation functions under the prominence regime in Part 3A of the Communications Act 2003 is set out below. Please note that we have added emphasis within some quotations from the Consultation in order to help guide interpretation of our responses.

We note that Ofcom proposes to apply the following approach when deciding whether a designation would be appropriate:

- **Condition 1:** Does the IPS make, or is it capable of making, a significant contribution to the PSB's individual remit?
- **Condition 2:** Is the public service remit content included readily discoverable and promoted by the IPS?

**Consultation question Q1. Do you agree with our proposed methods for determining whether the IPS makes, or is capable of making, a significant contribution to the PSB's individual public service remit?**

Ofcom states that it proposes to apply the following methods in determining whether the IPS makes, or is capable of making, a significant contribution to the PSB's individual public service remit:

- "a) We will consider significance in the context of each PSB's individual remit.*
- b) We will have regard to the extent to which the content that the PSB intends to use to fulfil its individual public service remit will be included in the IPS.*
- c) We expect that the IPS provider will include in the IPS all the content on the relevant services that the PSB has identified in its SoPP as intended to fulfil its individual remit.*
- d) Where an IPS provider applies to designate a second or further IPS that would aim to meet the needs and interests of a specific audience, the IPS provider should include on this IPS all of the content the PSB intends to use to fulfil the aspects of its individual remit relevant to that specific audience."*

**STV Response**

STV agrees with Ofcom's proposed methods in this regard.

**Consultation question Q2. Do you agree with our proposed methods for determining whether public service remit content included in the IPS is readily discoverable and promoted by the service?**

Ofcom proposes:

- "We will have regard to information provided by IPS providers explaining how PSR content will be made **readily discoverable and promoted** by the IPS. This should include information as to:*
- a) how PSR content will be **positioned in high traffic areas** of the homepage as well as other high traffic areas and features of the IPS so the audiences' **attention to this content is likely increased relative to non-PSR content**; and*
  - b) how their approach to **curation** (editorially led and/or algorithmic) will help to **promote and ensure the ready discoverability of PSR content**.*

## Non-PSR Content

STV notes Ofcom's proposals that:

- Condition 2 will not be satisfied if Ofcom considers that ***"the promotion and discoverability of non-PSR content adversely affects the promotion or discoverability of PSR content"***
- ***"high traffic areas of the homepage as well as other high traffic areas and features of the IPS ... should predominantly consist of PSR content."***
- ***"If IPS providers intend to make non-PSR content available within the IPS, we would expect them to explain how they will ensure that the promotion and ready discoverability of PSR content would not be adversely affected."***

STV is concerned that Ofcom's proposal that high traffic areas of the homepage as well as other high traffic areas (as further defined in Ofcom's draft statement of methods) should ***"predominantly consist of PSR content"*** so that ***"audiences' attention to this content is likely increased relative to non-PSR content"*** sets a very high bar and onerous objective for PSBs to achieve. In particular, it is not clear how compliance with a test framed around audiences' attention is to be judged, since visibility, prominence and attention may not always translate into viewing performance.

As explained in our introduction, PSB TV Apps are competing for audiences and advertising revenue with a number of global streamers. Non-PSR Content, whether originated or acquired, helps PSBs generate income to support the continued delivery of PSR Content and importantly provides a means to attract varied and new audiences to the PSB TV App, thereby increasing reach and providing an opportunity to surface PSR Content to different demographics and audiences who may not usually engage with traditional PSB linear viewing. This profile of PSR and non-PSR content for VOD is analogous to commercial PSB channels' existing linear schedules, where public service delivery has been achieved within a wider, mixed environment including programming that may not have contributed to licence commitments. STV urges Ofcom not to take a binary view that any presentation of non-PSR Content is always to the detriment of PSR Content, rather it should recognise the vital role it plays in drawing additional and varied audiences to a shop window for PSR Content, with the wider aim of ensuring the attractiveness and sustainability of PSB delivery going forward. Proportionality of regulatory tests will be crucial in this regard.

## Discoverability, promotion and curation

Ofcom states that:

*"We will have regard to information provided by IPS providers explaining how PSR content will be made readily discoverable and promoted by the IPS. This should include information as to:*

*...*

*b) how their **approach to curation** (editorially led and/or algorithmic) will help to **promote and ensure the ready discoverability of PSR content.**"*

STV echoes the importance of surfacing and presenting PSR content within its IPS to users. Curation is defined by Ofcom as ***"the selection, organisation and presentation of content within the IPS."*** STV would encourage Ofcom to allow PSBs flexibility in such curation, as to how to comply with their obligations. STV supports the promotion of content which makes it easier for

users to navigate the service, such as themed rails, top picks, or most popular. However, Ofcom must recognise, as is already the case via the linear TV schedule, that the prominence of various genres of content such as sport or entertainment for example, vary throughout the calendar year as a result of commissioning or sporting event timing. Similarly, in a PSB IPS environment, natural fluctuations and peaks and troughs arise. However, the benefit of a PSB TV App is that it can encourage engagement and fill gaps in user demand/expectation by way of content acquisition, FAST channels or paid-for content. At such times, it may be perhaps beneficial to marginally upweight promotion of non-PSR content, resulting in more engagement with the service inevitably resulting in, for example, the natural appearance of non-PSR content in the Top 10 most popular programmes.

STV believes that Ofcom should take a holistic approach to considering the place of non-PSR content within a PSB IPS across the course of a year, accepting that natural dips and peaks occur and that a single snapshot within a short window of prominence/promotion of non-PSR content at a particular point in time means that a PSB IPS could, on a transient basis, be deemed not to comply with Condition 2. STV would expect to address the relationship and nuances between PSR and non-PSR content within our annual SoPP.

Ofcom states:

*“IPS providers may decide to make use of **algorithmic personalisation** to help audiences to discover PSR content, for example with **recommendations based on a user’s viewing history**. **Personalisation can be a useful tool to ensure audiences are served content that will meet their needs and interests**. However, we consider that IPS providers should apply suitable curation to the IPS to ensure that the **ability of audiences to discover a broad range of PSR content is not adversely affected**. In considering whether Condition 2 has been met, therefore, we also propose to take into account the information which an IPS provider provides to explain how its **approach to curation (editorially led and/or algorithmic)** will help to promote and ensure the ready discoverability of PSR content.”*

STV recognises the importance of the benefits that functionality such as personalisation and recommendations bring in a PSB IPS environment. STV Player currently employs such functionality.

Personalisation of the user interface of an on-demand service based on the particular user’s preferences is very much expected as standard by viewers.

We note that Ofcom’s above statement seems to infer that although use of personalisation is a useful tool, PSBs should actively intervene to interrupt that functionality to ensure that PSR content is still brought to their attention, where a natural algorithm or user selection may not surface such content. STV encourages Ofcom to consider that this is a balancing and evolving act and that PSBs must be able to promote and make discoverable PSR content in a way which feels natural and expected by users. To do otherwise may risk discouraging use of the PSB IPS altogether, which would defeat the aim. Investment in PSR content is, by a significant margin, the largest proportion of spend in our overall programming offer and the commercial imperative to seek return on that investment is entirely aligned with the regulatory objective to ensure PSR content remains highest profile of all material on our IPS. PSBs are best placed to determine a natural way to promote and curate similar types of content, whilst maintaining trusted relationships with their users, and STV would urge Ofcom not to be overly prescriptive in this regard.

Furthermore, Ofcom states:

*“We consider that **discoverability means enabling audiences to find PSR content in the IPS that is new to them and may interest them and/or which they might not otherwise come across.** We think that promotion means taking steps to increase audiences’ attention to PSR content in the IPS, so they are easily able to find and watch it.”*

As set out earlier in our response, STV’s non-PSR content plays an important role in bringing in new audiences and in tandem with that, our algorithmic personalisation would then surface related or similar PSR content. This is an example of how all types of content have an important role to play in the ecology of a PSB IPS, with time spent by audiences viewing non-PSR content providing opportunities to surface and promote PSR material.

### **News and current affairs content**

Ofcom states:

*“...it is particularly important that news and current affairs content will be promoted and easy for users of IPS to discover. We propose that an IPS provider must ensure this is the case if Condition 2 is to be met.”*

*“Accordingly, an IPS is unlikely to meet Condition 2 if neither the diverse range of content nor the news and current affairs programming – which, taken together, accounts for much of a PSB’s unique contribution to UK media – is readily discoverable or promoted.”*

STV agrees that news and current affairs programming must be readily discoverable and promoted within the PSB IPS. However, as already explained above, the individual PSB is best placed to determine the manner in which this is achieved most effectively given the character and user engagement with the service and taking into consideration the natural ebb and flow of news and current affairs cycles across different periods.

There are two other factors that we think are important considerations in the context of Ofcom’s proposed requirements for the inclusion of news and current affairs.

Firstly, in the case of news, STV is committed to maximising its legacy broadcast operation towards providing additional material for its IPS. However, there are clear commercial considerations given the challenge of supporting news on an ad-funded basis. Since news only counts towards delivery of Channel 3 licence quota on TV rather than online, evolving our news offer and creating additional content is not potentially substitutional in respect of our broadcast schedule (unlike other quota commitments). Although financially challenging, we are reassured in guidance from Ofcom (email exchange of 14 March 2025) that, whilst such additional news or indeed other regional programming may not count towards licence quotas, it will be considered as PSR content. We would encourage Ofcom to make this point more overtly in the final guidance on designation of IPS and/or SoPPs.

Secondly, there may be occasions where news programming, included in live streaming and made available as VOD on our IPS could be out-dated by subsequent events. Whilst we would look for other ways to update stories online more frequently than the daily cadence of half hour programmes, on occasion, programmes may need to be withdrawn for editorial/compliance reasons. Similar to other live events such as sport, catchup viewing decays quickly for news programmes, and it is important to acknowledge that they may be overtaken by events.

**Consultation question Q3. Do you agree with our proposed methods for determining whether it is appropriate to designate an IPS?**

**STV Response**

Ofcom states:

*“Before designating an IPS, Ofcom must also be satisfied that it is appropriate to do so, taking into account certain factors specified in the Act. The factors that Ofcom must consider are: a) The **proposals in a PSB’s SoPP as to the contribution the IPS will make towards fulfilling the PSB’s individual remit**; b) Whether that proposed contribution is capable of satisfying the needs and interests of a wide range of audiences (or a specific audience in the case of second or further IPS); and c) The **effectiveness and efficiency of the PSB’s monitoring of its performance** so far as relating to the fulfilment of its individual remit.”*

**Proposals in SoPPs**

Ofcom states

*“... the Act simplifies the overall PSB remit and allows PSBs to use multiple relevant services to fulfil it. In light of this new flexibility, PSBs will be required to set out in their SoPPs which audiovisual services they will use to deliver their individual remits, and the contribution they intend those services to make. Under the new framework, SoPPs will be an important tool to provide Ofcom and audiences with transparency about the PSBs’ delivery of the overall PSB remit.”*

STV largely agrees with Ofcom’s proposed methods for determining whether it is appropriate to designate an IPS. STV acknowledges the key role that SoPPs will play in the new availability and prominence regime.

**Performance monitoring**

Ofcom states:

*“Ofcom will review the information provided by PSBs in their SoPPs when considering the effectiveness of PSBs’ performance monitoring. In particular, Ofcom will look at **how effective and efficient the PSB’s monitoring of its performance is**, as regards the fulfilment of its individual remit. Amongst other things, we will consider the **extent to which the PSB has drawn on audience research and stakeholder engagement** to monitor its performance.”*

STV agrees with the principle that monitoring of a PSB’s performance via its IPS is important as a method of considering whether it has achieved the fulfilment of its individual remit. Indeed, STV also appreciates the value in audience and stakeholder engagement. STV would however encourage Ofcom to ensure that such monitoring does not necessarily impose unduly onerous or costly obligations on a PSB, having regard to the means and resources available.

**Consultation question Q4. Do you agree with our proposed process for IPS providers to apply for designation of an IPS?**

**STV Response:**

STV agrees with Ofcom's proposed process for application.

**Consultation question Q5. Do you agree with our proposed methods for revoking an IPS designation?**

Ofcom states:

*"Ofcom may decide to revoke the designation of an IPS, in the absence of a request to do so by the IPS provider, on the basis that Ofcom considers that there are reasonable grounds for believing that one or more of the criteria set out in section 362AB(2) of the Act are met. Before such a decision can be made, Ofcom **must first notify the IPS provider and give them an opportunity to make representations.**"*

*"The criteria in section 362AB(2) are that: a) The designated IPS is not making a significant contribution to the licensed PSB's or S4C's individual remit; b) The PSR content included in the IPS is not readily discoverable or is not promoted by the service; or c) It would not be appropriate for Ofcom to designate the IPS."*

*"In addition to the ability to revoke a designation, Ofcom has enforcement powers including the power to specify steps that DIPS providers must take in order to remedy a failure to comply with the conditions."*

**STV Response:**

STV generally agrees with Ofcom's proposals around revocation of IPS designation, however we urge Ofcom to give PSB's not just "*an opportunity to make representations*", but also an opportunity to remediate any shortcomings identified by Ofcom within a reasonable timeframe (having regard to the time and cost of such change), prior to revocation.

It is also important that Ofcom recognises that when assessing a PSB's compliance with the relevant criteria, such assessment must reflect a reasonable period in time where an IPS offer will inevitably evolve and not be made based on a snapshot of the IPS at a particular point in time. The discoverability, promotion and nature of content within an IPS will naturally not be a static experience, and indeed, it should evolve to adapt to meet the needs of our viewers. Therefore, any assessment must take into account the PSB's compliance as a whole over a defined period of time prior to making any revocation decision.

We note that Ofcom has the power to specify steps that must be taken in order to remedy a failure to comply with the Conditions. In STV's opinion, Ofcom must be mindful that, in relation to Condition 2, adherence to this Condition requires a number of subjective assessments to be made, in particular around matters such as method and frequency of promotion and determining what constitutes "high traffic" areas and would encourage Ofcom to provide some assurance that the broadcasters themselves shall retain flexibility and control as to how to

comply with the Conditions, and Ofcom shall only intervene when core principles are clearly not being observed.

## **Conclusion**

STV is largely supportive of Ofcom's proposals in the Consultation and welcomes further discussion on the topic.

We note that the second phase of implementation of the Media Act 2024 will focus on preparing the Codes of Practice setting out how RTSS providers can comply with their prominence and accessibility duties. Guidance from Ofcom on how RTSS providers and PSBs can act consistently with the objectives that must be met when they are negotiating carriage arrangements will also be critical to the ability of STV to adhere to the Conditions for designation.

There are many aspects of the designation requirements and considerations which are within the control of STV however Ofcom must be cognisant of the fact that particularly in relation to compliance with the principles of discoverability and prominence of PSR content, Ofcom must consider that STV does not have such control in all environments where its suite of content, PSR or non-PSR is presented to its audience and potential audience. For example, STV has no control over the Sky Q VOD user-experience where it syndicates its content, and Amazon has elected to only present a subset of STV's content within its Amazon Fire TV search results, excluding STV's PSR content.

Therefore, STV encourages Ofcom to frame the obligations and Conditions of designation of PSB IPS's as being those aspects within the control of the PSB and Ofcom must not penalise a PSB or make a decision about non-designation or revocation of designation as a result of the non-compliance of RTSS providers.

STV looks forward to continuing to engage with Ofcom on the implementation of the Media Act 2024.