

The Potential for Local Television in the Highlands and Islands

A Response to the Ofcom PSB Review: Phase Two Consultation

1 Introduction

- 1.1 The Scottish Highlands and Islands Film Commission (SHIFC) is a partnership of five local authorities: The Highland Council, Moray Council, Orkney Islands Council and the Shetland Islands Council. SHIFC's remit is to promote and encourage the development of television and film activity within the geographical area of the Highlands and Islands.
- 1.2 The Highlands and Islands (H&I) is a unique area of the UK and we believe there are clear arguments for making it possible to provide it with a local television service but with a different structure than may be proposed or in existence elsewhere.
- 1.3 The people of the H&I do not see themselves or their stories represented on UK television presently (with the exception of the BBC Alba Gaelic service) and there is negligible specific reference made to the area in the Scottish Broadcasting Commission report.
- 1.4 STV North is a region which was created to serve commercial purposes. H&I news and issues received token coverage from a service centred on Aberdeen. Further research by both Ofcom and Scottish Broadcast Commission has continued to use the STV North region with a majority of respondents outside the H&I so the H&I views are barely represented in any existing research.
- 1.5 It is important to examine both the physical geography and the population figures of the area to understand why local TV could be a considerable asset to both economic and community development. It is, however, our opinion that a model based on small community-led individual TV enterprises is not the solution for the H&I.
- 1.6 This document explores a model for a bedrock organisation to facilitate local TV across the entire Highlands and Islands area.
- 1.7 Professionally led training opportunities and support for local production services are a crucial part of this proposal. Audience participation will be encouraged across all new media platforms.
- 1.8 Business and leisure visitors to the H&I area increase the indigenous population by two thirds each year in certain areas. Media content should therefore provide for these visitors' requirements. This would assist an economically vital tourism industry.

2 Make frequencies available for Highlands & Islands area.

- 2.1 Bearing in mind that Ofcom is charged with ensuring that spectrum allocations do not unwittingly prevent the emergence of a local TV sector:
 - 2.1.1 We welcome the bundling of interleaved frequencies to be aimed at Local TV provision and urge Ofcom to do this for the entire Highlands and Islands area as detailed in this response.
 - 2.1.2 The frequencies should be suitable and compatible as may be necessary technically to allow for a centrally supplied network with provision for opt-out (or 'add/drop') service at individual transmitters and relays.

3 The geography and terrain create a distinct area

- 3.1 Two thirds of H&I residents live in settlements of less than 5000 people. Many are completely rural and in the case of the 90 inhabited islands, many of those have populations of less than 1000. They are already naturally defined communities, and often very active, but many are isolated.
- 3.2 The population of the Highlands and Islands is 460,000 which is 9% of the people of Scotland. This Scottish minority group is linked by the geography of their location; the mountains, moorland and coastal terrain strongly influence work, lifestyle, culture, interests and priorities which are different from those in the more populated areas of Scotland and the UK.
- 3.3 Agriculture, fishing and tourism are dominant industries and ferry and air links are vital to the 90 inhabited island communities with 30% of the population. This makes accurate weather and travel information an extremely important issue.
- 3.4 We note the following:
 - 3.4.1 Television production is expensive and requires time, technical skills, background resources and management expertise which it would be unfair to expect in such small populations.
 - 3.4.2 A local TV service must be attractive enough for viewers to choose to watch it in the face of enormous competition.
 - 3.4.3 Ofcom's own research has shown that, where viewers generally support local television, they are concerned that it should be of good quality.
- 3.5 Please see Appendix 2 describing the size and variety of some distinct areas within H&I where there are shared interests which are not represented in UK television at present. Broadcasting by its very nature can link people within the area it covers.

4 A bedrock publisher/broadcaster to facilitate H&I regional and local television

- 4.1 Without having carried out extensive research or planning, but with significant experience of the industry, we propose exploration of the following model:
 - 4.1.1 A not-for-profit publisher/broadcaster started with public/private partnership funding but able to take commercials and sponsorship.
 - 4.1.2 This requires a robust business model drawn up by experienced industry professionals to avoid vague or impractical programming plans.

- 4.1.3 The service would employ enough professionals to co-ordinate a locally-orientated Highlands and Islands TV service. This would require the sourcing, commissioning and facilitating of the main programme content with a view to aiding people across the area to contribute. The service would be provided to the whole H&I area but would defer to local opt-out provision if that is desired. It could help to reduce bureaucracy and overheads by centralising administration and providing support, such as legal and technical services, which would otherwise be too expensive for one small station.
- 4.1.4 Modern non-linear automated playout systems should assist this goal.
- 4.1.5 A programming plan based on what the local viewer needs and wants will build an audience which can in turn raise revenue and reduce the requirement for public funding.
- 4.1.6 The planning is crucial. Local TV must hit the ground running with programming that the audience want to watch so viewers can be retained and built upon. Lost viewers would not return.
- 4.1.7 Central government PSB funding should be available for this service and it is realistic for a H&I service to produce an attractive public service proposal to tender competitively for that funding. (We support the use of the Switchover Surplus and the Competitive Funding model in this case).
- 4.1.8 There is a very strong case to be made for the value of a locally-co-ordinated and professionally run broadcast service facilitating training opportunities which feed local services, resources, and facilities for top quality film and television drama productions.
- 4.1.9 This bedrock service would be charged with addressing programme content delivery and audience participation across all new media platforms to achieve maximum reach and exploit the distinctive benefits that each may provide. This has international potential.
- 4.2 A bedrock publisher/broadcaster could offer co-ordination of local, National and International broadcast and co-production.
- 4.3 The service would be designed to provide the technical requirements and programming backbone whereby the individuals and communities of the Highlands and Islands could contribute their own programme material for transmission in a manner suited to their abilities and enthusiasm. A service must truly be a service, not any form of centralised control.
- 4.4 Possible funding from government, public and private support should be arms length to allow professional management of the service to source, commission and enable programming, including a clear remit and plan to foster, nurture and integrate local and amateur material, which will ensure viewers are retained.
- 4.5 Professional quality broadcasting is a requirement as indicated by Ofcom's own research. Whilst this is expensive, it may be possible to provide sustaining programmes of sufficient quality and the most important audience requirement, news, is often of lower broadcast standard and this is tolerated by the audience. It may be important for programme planners to find new approaches to delivering content which avoid embarrassing attempts to emulate the presentation format of large and wealthy broadcasters.
- 4.6 A large emphasis must be placed on training for both technical and programme-making expertise. There is a strong infrastructure to support this through existing college courses and organisations such as Skillset, the broadcast industry training body. This form of television is the grass-roots which feeds the industry and funders and

educational bodies are keen to establish real work experience and professionally-led training.

- 4.7 The Inner Moray Firth area (and Inverness), Orkney, Shetland and the Outer Hebrides may have large enough populations that they should be facilitated to run their own TV at whatever level is practical. In fact there may be demand for independent local input within these areas. In the case of the many smaller islands, very distinct and cohesive communities have populations of less than 1000 people making it important that a bedrock supportive structure is available to them.

5 News as an essential backbone to the service:

- 5.1 Ofcom has provided very strong evidence of viewer demand for local news and information and this is not provided for the H&I by any existing broadcasting service except a 10 minute BBC Radio Highland opt-out from Radio Scotland.
- 5.2 The BBC has suggested sharing its own expertise in digital production with producers and other broadcasters and exploring ways of making the BBC's regional and local news available to other outlets.
- 5.3 H&I news is already collected by BBC Alba, BBC Radio Highland and many successful local newspapers. A new Scottish Channel would have to provide coverage in the H&I.
- 5.4 We believe the H&I has the capacity to produce its own local news using:
 - 5.4.1 Collaboration with other broadcasters
 - 5.4.2 Sponsorship or reciprocal deals with newspapers
- 5.5 Domestic video material submitted via phone or broadband by individuals or groups throughout the area.

6 Collaboration with other broadcasters

- 6.1 The H&I has much in common with rural areas of other EU countries such as Eire or Denmark and co-production, collaboration and programme sharing may be possible. The popularity of the Europe-focused Gaelic programme Eorpa demonstrates the Scottish interest in other countries.
- 6.2 The Highlands and Islands link to the Scottish Diaspora and this is a significant overseas market interested in the area. There is potential to develop links with overseas broadcasters offering a streamed broadband service. Local H&I amateur/community input would almost certainly add value to such a service.

7 Broadband opportunities

- 7.1 We are convinced that broadband will provide a complimentary service to Television in H&I but that due to the speed and capacity of the service in many parts of the rural H&I it will not become attractive as the main regular method of viewing television material for quite some time. There are already issues around capacity for provision such as iplayer.
- 7.2 Broadband Television channels have been around for a number of years but these fulfil a different purpose from linear broadcast channels and the two can exist in a complimentary and mutually supportive manner. We recommend www.hebrides.tv as both an excellent example of this form of Broadband channel and because their current

programme 'Island Voices' shows people who rarely see their lives portrayed on National TV.

- 7.3 Broadband as means of content delivery for a linear channel has exciting potential for experimental contributions through interactive access and amateur contributions from individuals and groups.

8 Gap in Provision

- 8.1 An example of an organisation looking to reach a targeted local population includes the **UHI Millennium Institute (UHI)**, the only higher education institution based in the Highlands and Islands of Scotland. Moving towards full University status, this year it gained degree-awarding powers.
- 8.2 Martin Wright, Communications & Marketing, UHI, makes the following points:
 - 8.2.1 "Mass communications in the Highlands and Islands is very different (from elsewhere in the UK). The media is very fragmented. Commercial TV (Grampian/STV North) does not cover the H&I in a suitable manner for advertising. Satellite viewers get the Aberdeen signal and to reach viewers in Argyll you would have to buy advertising through STV covering Glasgow. Local radio is also fragmented in its coverage. The Press and Journal (an Aberdeen-based newspaper) is reasonable but finding a way to communicate across all of the area is very difficult.
 - 8.2.2 "A Local TV service would provide for what the people of the area have in common and also recognise the diversity. It would benefit economic development, education and training."
 - 8.2.3 "Local Television could be a great opportunity for UHI to get involved in a similar manner to the BBC and the Open University. But OU are national programmes whereas UHI programmes are embedded within the culture, environment and history. It would be great for us to produce programmes to draw people's interest into, and make them aware of, the educational and training opportunities in those (H&I) areas.

9 How an open auction shuts out publicly funded bidding for frequencies

- 9.1 Any organisation drawing up a budget for a project needs to know the costs it is facing. This is particularly the case with publicly funded projects where funds cannot be allocated, even at feasibility study level, if there is not a clear indication of what the broadcast frequencies may cost to purchase. The option of publicly funded local television may be one which funders cannot consider and so for Ofcom to state that it will release bundles of frequencies suitable for Local TV will be of no use in reality. More so because the auction for these frequencies is open to everyone.
- 9.2 An auction does not allow "**users to decide the use of spectrum**" (PSB2 5.68) it quite simply allows the highest bidder to take control.
- 9.3 We propose that Ofcom meet us half-way on this problem. Provide fixed prices for the frequency bundles in a timescale which allows organisations to draw up workable budgets and financing packages. If no interest is received by a reasonable deadline

then the frequencies could be open to auction. It could be possible to impose a clause requiring utilisation of the licence within a tight timescale and prevent selling on at profit.

- 9.4 Key Point: We request that Ofcom treat a Local TV frequency bundle for the Highlands and Islands as one licence covering all the required transmitters and relays hence reducing both licence cost.

10 Costs of providing a service covering all communities

- 10.1 We are aware that there are significant costs in equipping transmitters (possibly 7) and relays (possibly 70) to provide the fullest possible coverage to the H&I area using existing masts. Annual costs then include rental of each site. This is a huge disadvantage to anyone attempting to provide a broadcast service to this area.
- 10.2 The technical requirements of allocating interleaved frequencies may well necessitate new antennas at the TX and relay masts and for this reason, based on the specifications for the Cardiff auction, Arqiva are unable to guess a ball-park figure to help with budget estimates at this time. This would only become available after the frequencies are announced and this has the potential to inhibit and severely disadvantage the progression of a publicly funded bid. Whilst we recognise that the allocation of frequencies may be complex with many factors to consider, we urge Ofcom wherever possible to seek a low-cost option for specifying technical requirements for Local TV transmissions.
- 10.3 To cover the entire Highlands and Islands area with a service where any relay may be used for a dedicated local service is technically possible but likely to be extremely expensive. However the technology continues to progress and with the option of remote digital switching to supply individual relays in isolation direct from the transmitter, costs may not be so prohibitive. As with the frequency allocation for this proposed service, we urge that the door be left open for this future possibility.
- 10.4 Relays are essential for optimum coverage of the H&I area.
- 10.4.1 Any Local/Regional TV service which is publicly funded could not fulfill its purpose without using the relays.
- 10.4.2 Due to the terrain of the area there are potentially over 90 relays that may need to be equipped and rented annually, on top of possibly 7 transmitters with similar or higher costs.
- 10.4.3 This is the key disadvantage for the Highlands and Islands over the majority of the UK where fewer mountains mean one transmitter can cover a very large area.
- 10.4.4 It is crucial that this point is understood in relation to any Government funding model.
- 10.4.5 Lack of support to pay for the use of these Transmitters and Relays takes away provision from the people of the area.

11 Collaboration and support with related channels.

- 11.1 The arrival of a Gaelic language TV channel is a landmark in Scottish broadcasting. The success of BBC Alba, with more than 600,000 viewers in its first week, signals the potential for properly planned and targeted 'minority' TV which can build an audience.
- 11.2 The progression of highly competent and professional Gaelic TV production over the past 20 years has created an infrastructure of studios, technicians, professional training (for example this already well established at Sabhal Mor Ostaig college on Skye) and production companies in the H&I with a capacity, and interest, in supplying other

broadcasters and furthering training opportunities. With both a Scottish Channel and a H&I bedrock local service there is plenty of opportunity for collaboration, cross-fertilisation and sharing of costs and services.

- 11.3 Out of 460,000 people in the H&I area, approximately 34,000 are Gaelic speakers so it is important to understand that a Gaelic service is not the same thing as a local/regional English based service for the Highlands and Islands which might include programming from any language.
- 11.4 Professionally produced local programmes may be suitable for sale for UK broadcast providing the opportunity for the people of the H&I to present their viewpoint and culture.
- 11.5 International co-production and shared programming with other broadcasters, along with broadband streaming of the service, allows the H&I to present and connect itself to the world.

12 Coverage

- 12.1 After Digital Switch Over the truth will be known about the reach of the digital signals into the mountainous regions of the H & I. Whilst for some people their service will improve, for others it will not exist at all where previously at least they had a signal, however degraded. It is likely that many people will, and already are, opting for satellite reception. A DTT service must address how to reach and involve these viewers via broadband which is likely to be available through their television and also investigate satellite provision.
- 12.2 At this stage of the Ofcom consultation we are simply asking that all requests for Local TV frequency allocation be addressed so that full provision can be made without technical conflicts. There is time for full discussion and financial modeling so that any area which chooses to do so, and Shetland and Orkney are an obvious example, can signal the manner in which it wishes to address Local TV provision for their area, either quite independently or through whatever level of support from the 'bedrock' administrative service they would choose to use.
- 12.3 The cost of Transmitter and Relay use in Scotland may be too expensive for fully commercial ITV stations to justify financially. So potentially there is less competition for whatever PSB services are left – BBC, BBC Alba, C4, a Scottish Channel may all provide the plurality of service which Ofcom have identified as so essential to provision but we would ask how realistic it is that any of these services, except BBC Alba, will cover the lives and interests of the people of the Highlands and Islands.

13 Content; arts, music, creative culture

- 13.1 A common love of the landscape links most H&I people and for many plays a part in their decision to live here. This results in a high proportion of visual artists and people highly skilled in their field.
- 13.2 The Highlands and Islands is generously provided with well-equipped modern and vibrant arts centres. And these provide a network of people immersed in music, theatre, cinema and visual arts programming. The opportunities for events promotion through Local TV are matched by those for potential programme content.
- 13.3 The emphasis on live music provision in such a sparsely populated area is immense and provides a mature platform with top quality material much in demand by audiences both H&I wide and internationally. This is evidenced by the National Centre for Excellence in

Traditional Music www.musicplockton.org and the proliferation of successful festivals such as Rock Ness, Belladrum (Inverness), Loopallu, Hebridean Celtic Festival, Connect (Argyll), Orkney and Shetland Folk Festivals, Bute Jazz Festival, Mull of Kintyre Music Festival.

- 13.4 The range, energy and quality of cultural, arts and music provision, both amateur and professionally organised is extremely high for a scattered population of 460,000 people. This is why a television service to cover their needs may be successful here.

14 Sport

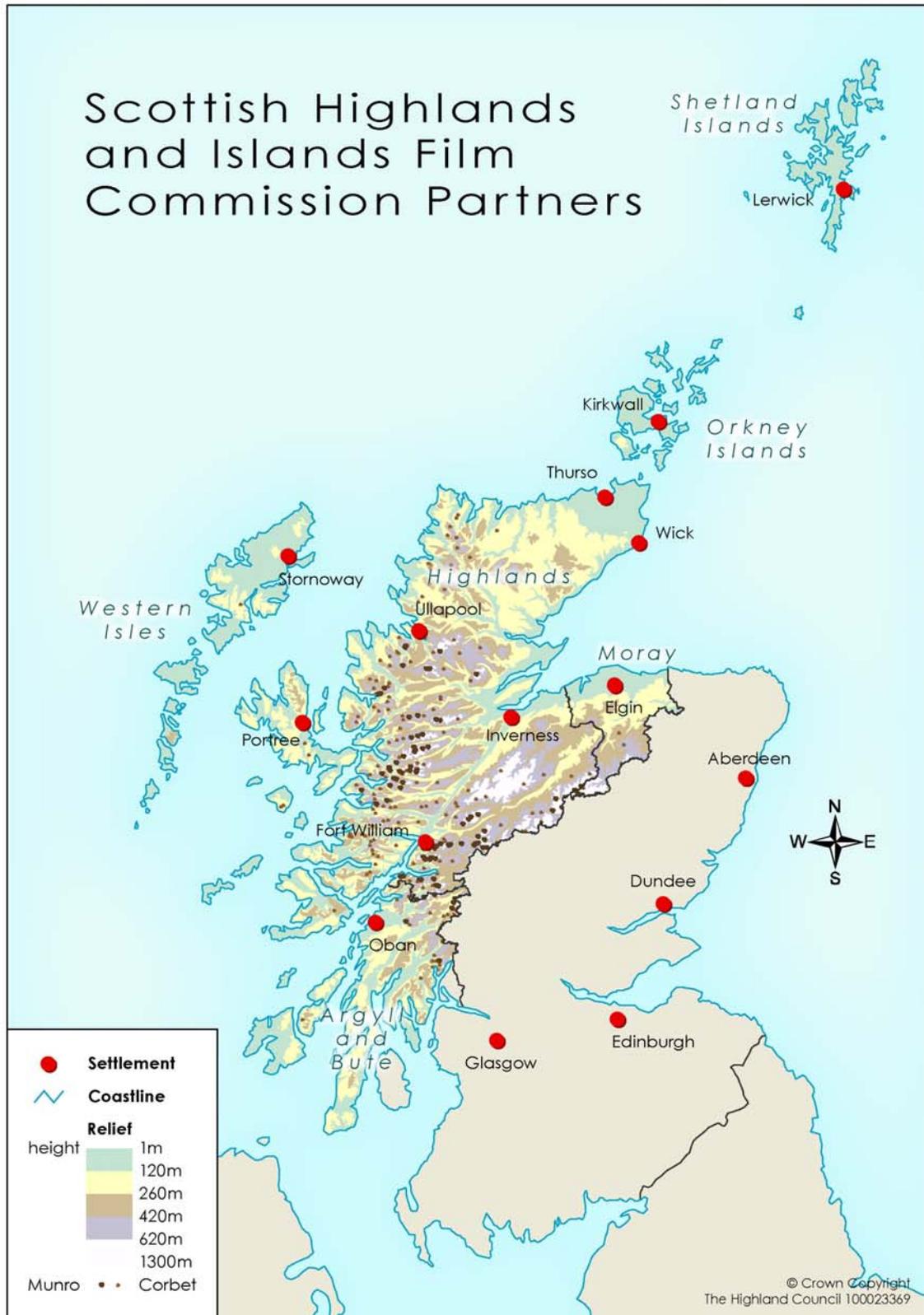
- 14.1 One Gaelic Production company streams it's coverage of Shinty (a popular Highland sport) matches on the internet. It has a worldwide audience and demonstrates the international potential for Highland generated material. Shinty rarely appears on any UK broadcast service.

15 Content; video production facilities

- 15.1 Professional services are listed at www.scotfilm.org an on-line where there is an on-line production guide for the Scottish Highlands and Islands.
- 15.2 Schools, colleges, and community education across the area are extraordinarily well equipped with quality audio visual equipment for both origination, post-production and animation work.
- 15.3 Content can be provided by individuals using domestic equipment and mobile phones.

Appendix 1 Map of Highlands and Islands Area

The Highlands and Islands area as covered by Highlands and Islands Enterprise, the agency who funded this response. The Scottish Highlands and Islands Film Commission who provided the response covers the same area with the exception of Eilean Siar (the Outer Hebrides).



Appendix 2

16 About the Highlands and Islands area

- 16.1 More remote and peripheral areas, such as the Outer Hebrides, are experiencing population decline while population centres, such as Inverness and Nairn, are experiencing population growth. The agriculture, fisheries and forestry, transport and communication and construction sectors are also larger employers in the Highlands and Islands, relative to Scotland as a whole. This is more prominent in peripheral island areas such as Orkney, Skye and Lochalsh and Argyll and the Islands. New activities in key technology industries such as medical products and pharmaceuticals, contrast with traditional sectors such as oil-related engineering and textiles.
- 16.2 The quality of the landscape is illustrated by the fact that a fifth of the area is classed as a National Scenic Area.
- 16.3 The Highlands and Islands as a whole is recognised as a fragile area within Europe requiring economic assistance in the form of Transitional Status for Objective 1 funding.

17 Some area snapshots

- 17.1 **Outer Hebrides (Eilean Siar) pop 26,350** Due to its economic situation, the whole of the Outer Hebrides, including Stornoway (pop 18,000), is recognised in policy terms by Highland and Islands Enterprise as an economically 'Fragile Area'. This means that the need for sustainable development opportunities, which combine economic, social, cultural and environmental concerns, is paramount.
- 17.2 **Oban pop. 8,120** The Argyll town is still home to quite a large fleet of fishing boats and is the departure point for ferries to Mull, Colonsay, Coll, Tiree, Lismore, Barra and South Uist in the Outer Hebrides. During the tourist season the town can be crowded by up to 25,000 visitors.
- 17.3 **Fort William pop.10,774 'The Outdoor Capital of the UK'** The surrounding mountains and glens attract hikers and climbers in their droves along with skiing, snowboarding and world class mountain biking.
- 17.4 **Isle of Islay pop. 3200** is part of the southern Hebrides. With 8 working whisky distilleries, quality local food production, the stunning scenery, amazing wildlife and all the friendly people, Islay is a five star holiday destination.
- 17.5 The inner **Moray Firth** (Nairn, Inverness, Dingwall, Alness and Invergordon) contains approximately 70,000 people, or nearly 20 per cent of the Highlands and Islands population.
- 17.6 **Orkney pop. 19,480** Area: 975 sq.km Main industries: fishing, agriculture, food production, jewellery.
- 17.7 **Shetland pop. 22,230** The value of key sectors of the Shetland economy in 2006 were: oil production £70m, fisheries £225.7m, agriculture £16.7m, knitwear £3m, tourism £12m, Local Authority £184.9m. There are 15 inhabited islands
- 17.8 **Moray pop. 86,000** Moray includes fishing towns such as Buckie and Lossiemouth; the agriculturally rich laich of Moray and the main town of Elgin; the Spey Valley is home to many whisky distilleries and food processors such as Walkers and Baxters; the highlands of the south which form part of the Cairngorm mountain range. There is a clear difference between the populated, rich agricultural land along the northern coast and the sparsely populated upland areas to the south.

Appendix 4

From the Ofcom PSB2 Consultation Document:

The public purposes of digital local content and interactive services

- To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas, with particular focus on issues relevant to our locality
- To stimulate our interest in and knowledge of arts, science, history and other topics, particularly those relevant to our locality, through content that is accessible and can encourage informal learning
- To reflect and strengthen our cultural identity, particularly that based on shared local identities, through original programming at local level, on occasion bringing audiences together for shared experiences
- To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, especially those within our local area

To support and enhance our access to local services, involvement in community affairs, participation in democratic processes and consumer advice and protection