

Cleraun Media Forum 2009

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Public service broadcasting (PSB): a bright new future?

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A new vision for public service broadcasting in Scotland

Blair Jenkins, chair, Scottish Broadcasting Commission

In my view public service broadcasting – PSB - will be even more important in the digital age than it has been in the era of analogue broadcasting. I know that is true in Scotland and I'm pretty sure it is true in Ireland also. PSB is vital for the democratic, cultural and economic health of small nations in particular. What I will try to do tonight is to explain how our thinking has evolved in Scotland and then leave it to you to decide whether our debate – our priorities, our conclusions – help to shed any light on your own issues and your own debate here in Ireland.

I'm very passionate about broadcasting in general and Scottish broadcasting in particular. So the final report of the Scottish Broadcasting Commission – published one year ago – is not (I hope) a dry and dusty policy statement which could have been written by a lawyer or a civil servant. It makes some strong recommendations and some bold claims. But I do believe it also contains some very good arguments. Our proposals were endorsed unanimously by all parties in the Scottish Parliament – which is a very rare occurrence, politics in Scotland being pretty adversarial. So we did achieve a high degree of clarity and consensus around the problems and the solutions.

I should also say that I firmly believe that Scotland has the ability and the talent in all of its cultural and creative industries to produce world-class content for Scottish audiences and indeed for worldwide audiences. We just need to create the conditions to make that happen.

Our key recommendation was for the creation of a new public service Scottish Digital Network, an integrated broadcast and broadband service combining a core linear television channel with extensive and innovative content on all other digital platforms. We said this was necessary to provide secure and sustainable PSB competition to the BBC in Scotland. We estimated the annual cost of the new service at about £75 million. The industry regulator Ofcom in an independent analysis came up with a virtually identical number. I'll come back to the digital network in rather more detail just a few minutes....and explain why I feel it would have a transformational impact on our democratic, cultural and economic life.

Our broad theme tonight is public service broadcasting and its future. When the Commission published its final report last year, I said that often the best way to predict the future is to create it. I'm ever more convinced that is true..... In Scotland, the reason the commission was set up in

2007 was precisely because of serious concerns about the health of our broadcasting. There had been a very significant reduction in the number of programmes commissioned from Scotland by the BBC. And the position with the commercial broadcasters was even worse. The ITV licences in Scotland – run by Scottish Television, STV – had seen a huge decline in the production of Scottish programming to something like only 25% of what had been there in the 1990s. To give you an update on the position, the industry regulator Ofcom reported recently that spending on Scottish programmes across both the main broadcasters declined overall by about a third over 5 years up to 2008 – down from £81 million to £54 million per annum. Spend in Scotland last year was down about 20% year on year. The equivalent figure for the UK as a whole was only 10%.

And the strange thing was that this spiral of decline of Scottish broadcasting was completely counter-intuitive – it was going against the trend of almost everything else in Scottish life. The advent of devolution and the creation of the Scottish Parliament in 1999 has given rise to a much more lively and dynamic political environment. Everywhere you look in the creative industries things seem to be thriving and lively: the most successful cultural product in the world – the Harry Potter character – has been produced out of Scotland; the Edinburgh Festival remains the biggest and best in the world; I live in the UNESCO world city of music (Glasgow) and 50 miles away is the UNESCO world city of literature (Edinburgh); Grand Theft Auto 4 is the most successful video game ever produced ; the list goes on and on. Broadcasting seemed to be uniquely off the pace in Scottish democratic and cultural life. And it was evident there was an absence of any clear public policy framework for broadcasting in Scotland. Political devolution is a major change in the UK, and the response of the broadcasters has been marginal at best and disappointing to say the least.

It's not all bad news of course.....recently there have been some landmark Scottish programmes by the BBC; some clear signs of STV wishing to do more; and of course the very welcome launch a year ago of the new Gaelic language service, BBC Alba. I don't propose to say very much more about BBC Alba tonight but am very happy to answer questions about it if people are interested.

The new minority SNP government announced the establishment of the Scottish Broadcasting Commission in August of 2007 just a few months after winning the Scottish parliamentary election. We were set up as an independent commission with representatives from all the main political parties and from wider Scottish society. And just to be clear on my own position as chairman – my expertise is in broadcasting, media and the creative industries. I'm not a member of any political party and I have good relations with all of them..... or as good as you can have if you are doing your job as a broadcaster and a journalist.

In the UK, broadcasting is clearly a policy area where it has always been felt that substantial public intervention is required to secure particular socially necessary or beneficial outcomes. A well-informed society; culturally enriched and with shared civic values. I would argue that this approach becomes ever more appropriate as the importance of media and communications grows in the creation and maintenance of the good society as other forms of social and civic engagement have gone into decline. Broadcasting in its widest sense – by which I mean distribution of audiovisual content on any platform for any device – is hugely important for the cultural, democratic and economic health of Scotland.

The Scottish Broadcasting Commission was firmly of the view that Scotland has benefited from being part of the overall broadcasting ecology of the UK and that the BBC remains the cornerstone of public service broadcasting. As you may know, the BBC is funded by the television licence fee which is currently set at £142.50, which is now probably about the same in euros as your own licence fee.

We conducted our investigation under those three headings I mentioned – looking at the democratic, cultural and economic importance of broadcasting. Let me say a bit more about those.

- **DEMOCRATIC:** Broadcasting, and television in particular, continues to be the dominant medium by which most people in Scotland receive news and other information. It is a fundamental requirement that there should be high-quality news and current affairs programmes which address the democratic needs of audiences in Scotland
- **CULTURAL:** television is also the most important mechanism by which we celebrate and reflect our culture in its broadest sense. Through our broadcast media we demonstrate our values as a society. And broadcasting is central and pivotal in delivering our distinctive arts and culture to the people and in that sense is a vital part of the cultural infrastructure of Scotland, as was made clear to us by a very wide range of cultural organisations.
- **ECONOMIC:** creative audiovisual content is and will be increasingly one of the defining industries of this century and broadcasting is at the heart of this. The digital media sector has the power to drive all of our creative industries. For that reason, we need to attract, develop and retain the very best talent and to keep moving further and further up the value chain with our content. Creative industries will be one of our key wealth generators. They include the arts and culture, but are of course bigger and broader. We need strategic investment in this key part of our economy.
- A key issue is also that of **SOCIAL INCLUSION:** in some ways the hardest policy nut to crack in relation to media. In a knowledge economy, or learning society, of all the key skills, surely the most important is the ability to communicate and participate. We have to use the resources and advantages of the digital age to have the maximum beneficial effect on Scottish life and society. We need to make sure the digital future is genuinely inclusive and that poorer individuals and communities are not left out. Media literacy is a huge policy challenge and will require significant public investment. We will need four things: universal access to decent broadband connections. And then also of course universal take-up of those connections. Then give people the skills to get best use of the new technology by building media literacy and creativity into our education system. And then lastly provide the kind of digital content that will drive take-up and stimulate demand. ...At that point, it is possible to imagine individuals and communities feeling much more engaged and valued through digital technologies.

THE APPROACH OF THE SBC (in general, our approach was that it is better to fix the future than complain about the past...)

- **AMBITION:** our main theme was ambition. To think big, think new, think ahead. There hasn't been enough of that in Scottish broadcasting.
- **CONSENSUS:** consensus is an important concept, an important objective. And it was particularly important in this highly contentious area of policy, where friends and acquaintances were telling me it was just TOO contentious an area to make any progress. It was just too divisive and politically loaded. Nevertheless, consensus was achieved and there is now a great deal of clarity in Scotland around these issues and around the best solutions.
- **INNOVATION:** we have to adapt and be open to new ideas. There is a huge difference between what we are doing and what we are capable of doing.

SCOTTISH DIGITAL NETWORK

In the course of our work and thinking, several key considerations became clear in support of the new digital network: the decline and PSB deficit in Scottish broadcasting; the demand from viewers for more volume and range; the very real risks of BBC monopoly; and the clear public support for the SDN concept.

- **DEFICIT:** there is a glaring deficit in public service broadcasting in Scotland. Other than in news, BBC Scotland is already virtually a monopoly. STV has almost nothing in peak time apart from Scotland Today, and in general has a licence requirement to produce only about 25% of the volume of Scottish output it had 10 years ago. There is a growing and urgent need to have secure and sustainable competition for the BBC in Scotland to ensure PSB plurality in key Scottish content.
- **DEMAND:** there is substantial evidence to suggest that audiences in Scotland wish to have more Scottish content. In research undertaken for the commission, 84% of those surveyed thought it was important that television should “inform and teach you about Scotland” – but one third of respondents (33%) were not satisfied with how programmes are currently meeting that responsibility. The biggest “satisfaction gaps” appear to be in history and heritage programmes, where 56% of respondents felt that there was too little provision of Scottish material, and in documentaries where 51% thought there should be more Scottish content. In our public attitudes survey of more than 1000 adults in Scotland, 81% of respondents said they would be interested in watching a new network service made for people living in Scotland. The level of enthusiasm was pretty constant across gender, age group, social background and geographic location.
- So what would the new service be like? We said it should be challenging, risk-taking, contemporary, outward-looking, bold, original and intelligent. It should transmit programmes that producers feel passionate about and that audiences love. It would be distinctively Scottish but with an outward-looking perspective – as I have said elsewhere, **recognisably Scottish but not relentlessly Scottish**, much as most Scots like to be themselves..... I should say that I am sure that audiences in Ireland wish their services also to be recognisably Irish without being relentlessly Irish. From the evidence the Commission saw and heard, we believe that there would be very widespread support for a new public service Scottish digital network with a clear cultural and democratic remit to provide more high-quality content for citizens and consumers in Scotland. Our firm conviction that a new Scottish public service network is both required and desired does not depend solely on the need for guaranteed and more substantial competition for the BBC, nor indeed on the reality that the ITV system is highly unlikely in future to deliver

much in the way of Scottish PSB content. There were many positive reasons emerging from evidence to the Commission in all three phases of our work programme, which together not only make the case but begin to shape an emerging remit for a new network designed for the digital age:

- providing audiences in Scotland (and elsewhere) with a greater volume of high-quality Scottish content
- development of opportunities for emerging talent on and off screen
- the chance to take risks and innovate in content, style and technology
- contributing a significant role in supporting the economic growth of the audiovisual sector, and providing in broadcast and online form the secure base of our pyramid of creative content production
- the potential to link to work on creativity and technology in our higher and further education sectors and to the innovation we all wish to encourage in society at large
- connecting with the Scottish diaspora as a natural wider audience for Scottish material, and giving Scottish producers and their content access to the UK and global markets
- establishing a trusted brand for Scottish content at home and abroad as choice expands and audiences fragment in broadcasting and broadband.

One attractive option we advocated would be to make much of the linear content and any associated material available online for people not only to view but also to re-edit and remix. The new platform could become a space where the creative talent of Scotland can experiment and innovate, potentially with thousands of hours of usable media made available under a Creative Commons type of licence. The Commission was attracted by the idea of it being an “open source” platform with accessible source code and software so there is the potential for users to develop new and experimental applications.

So the new Scottish Network would produce drama, comedy, news and documentaries for all digital platforms. It would look towards co-productions with international partners, including Ireland of course. . It will provide opportunities for new faces, new voices and of course for new writers. We say the new network should include innovative and ambitious cultural content and should seek to maximize its educational and economic impact through partnerships with further and higher education and with Scotland’s wider creative industries. As we said in our report, there are now global audiences awaiting those with global ambitions.

We believe the new network should be set up on a not-for-profit basis. This would ensure that the maximum percentage of public money invested ends up paying for content rather than going to the bottom line, and that there is the highest degree of transparency and accountability under the governance of a board of trustees. These arrangements are also consistent with the ethos of public service and public purposes. Importantly, a new digital service which is not pursuing advertising revenue would not therefore be competing for the main source of income of Scotland's existing commercial media, which face significant pressures on revenues and costs. This would help the new network greatly with perception, reception and partnerships in the wider Scottish media.

Although on balance we feel the new network should not seek to attract advertising revenue in the UK, it would be possible for other forms of revenue to be explored. This might include

advertising and sponsorship opportunities on the broadband service outside the UK, and other forms of revenue for what would become a global portal for original Scottish content.

As I said earlier, the SBC estimated the annual costs of the Scottish Network at £75 million. It is a lot of money, but proportionate when you place it in context. Our preferred option was to source the funding from the proceeds of the auction of cleared broadcasting spectrum once digital switchover is completed in 2012. That auction will raise billions of pounds for the Treasury and the bundles of desirable bandwidth are a UK-wide asset – so correcting the Scottish PSB deficit seems like a fair use for part of this windfall. As a cost comparison, the Welsh language channel S4C is directly funded by grant-in-aid of about £95 million annually from the UK government, and benefits in addition from £25 million from the television licence fee in the form of programmes supplied by the BBC under statutory obligation.

If there is to be no new or additional funding for public service broadcasting, then the new Scottish Network should be funded out of the television licence fee. And with the revenue from that source totaling about £3.6 billion every year, £75 million doesn't really look like such a large sum – in fact, not much more than 2% of the licence fee income. In that context, it will not be acceptable in Scotland to say that vital PSB competition is not affordable.

WHERE ARE WE NOW?

So far there has been no commitment from the UK government to the creation and funding of the new Scottish Digital Network.

However, this is an idea whose time has come and I fully expect the new network to be agreed at a political level between London and Edinburgh over the next two years. I think that deal will be done because politically it needs to be done and also in cultural, democratic and industrial terms it needs to be done.

In the meantime, the current UK government is talking about top-slicing the BBC licence fee to fund the continuation of regional news on ITV in the UK, including STV in Scotland and UTV in Northern Ireland. It remains to be seen whether that goes ahead, but for the first time we have the government saying explicitly that the BBC has no exclusive rights to the licence fee and that it can be used for other public service purposes – which is already the position in Ireland of course.

Digital switchover in 2012 makes it possible for the first time to create a universally available Scottish broadcast and broadband network without displacing any of the existing UK-wide services. In a truly Digital Britain which is about extending choice, it would be very odd to say to audiences in Scotland that they can now receive 500 channels but not one of them will be Scottish.

The Scottish Network would lead the way in the UK on what a 21st century media platform should look like, with opportunities for participation and engagement that go far beyond anything currently available from other broadcasters and representing a generational change in how people engage with media and creative content software. This would help to drive broadband take-up in Scotland as part of the UK's universal access policy.

At this stage in the evolution of our national life, Scotland needs a dedicated digital network. We have to transform our view of what is possible in the creative content industries. It is important to state that the new network would not in any sense enable the BBC to do less for audiences in Scotland; on the contrary, I think the arrival of a strong competitor may be just the stimulus that BBC Scotland needs in terms of raising its own game.

It is important that we build on the consensus that exists in Scotland in support of this shared vision for an ambitious and proportionate way forward for public service broadcasting. The Scottish Network is supported overwhelmingly by the Scottish public and unanimously by the Scottish Parliament. It is fully supported by the Scottish independent production sector. It will enable us to combine cultural and industrial policy and aid skills development in this important area of multiplatform and multimedia services. Most of all, it will mean that we are truly entering an age of enhanced choice and competition and not one of digital deficit.

The Scottish Digital Network will inject a transformational energy into not just Scottish broadcasting, but also into Scottish media and Scottish creative industries more generally.....As a nation, we have to take responsibility for our own media, just as we do for our own health. And you don't get the health service you need or the media you need just by crossing your fingers. As I was saying earlier, the best way to predict the future is to create it. Thank you.