

*“Working for quality
and diversity in
British broadcasting”*



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Response from the Voice of the Listener & Viewer to Ofcom’s consultation on its

Draft Annual Plan for 2013/4

20 February 2013

Response from the Voice of the Listener & Viewer to the Ofcom's Consultation on Draft Annual Plan for 2013/4

Voice of the Listener & Viewer (VLV) is an independent, non-profit-making association, free from political, commercial and sectarian affiliations, working for quality and diversity in British broadcasting. VLV represents the interests of listeners and viewers as citizens and consumers across the full range of broadcasting issues. VLV is concerned with the structures, regulation, funding and institutions that underpin the British broadcasting system.

Voice of the Listener & Viewer (VLV) welcomes the opportunity to comment on Ofcom's work plan for 2013/4. Whilst the Ofcom remit is wide, VLV's specific interests are confined to spectrum, broadband and public service broadcasting (PSB) regulation matters.

Summary

1. VLV has concerns about the redeployment of the UHF spectrum, specifically the reduced amount of spectrum allocated to PSB on the DTT platform, its impact on consumers and the viability of DTT going forward.
2. VLV is also concerned that the change of approach to protecting PSB services from interference caused by new 4G services is significant and a departure from tradition. The use of mitigation measures in those areas expected to be adversely affected by 4G transmissions are unprecedented and are based on predictions of behaviour. The reality of the degree of disruption remains to be seen and so VLV advises caution until 4G services begin and the actual effects are known.
3. The extension of internet access via broadband to all citizens is a valuable and worthy goal. Both the reach of broadband (i.e. the proportion of the population to whom internet services are available), the take up (i.e. the proportion of those served that actually use internet services) and the data speeds available need improvement. VLV supports any initiative that will effect such improvements.
4. Insofar that some of these improvements will be delivered by means of wireless technologies that will demand spectrum allocation, there is concern that other, existing and valued services that require spectrum allocations may suffer as a consequence. It is clear that an equitable balance will be needed.
5. VLV has concerns that Ofcom's five revised strategic purposes appear to include only one that is relevant to issues of quality, diversity, impartiality, universal accessibility and trust in public service broadcasting.
6. This is Ofcom's revised strategic purpose: 'Contribute to and implement public policy defined by Parliament'. From a VLV perspective, this must be taken to include active monitoring of compliance - quotas and standards - in British PSB, since these services are used on a daily basis by the vast majority of the UK population. In particular VLV also urges Ofcom to seek appropriate remedies in respect of the continuing decline of investment in PSB content creation.

7. VLV notes and appreciate the work that Ofcom has completed to date on media pluralism and on the definition and concept of a 'fit and proper person', applied as a criterion of licence-holding, as existing law requires. VLV urges continued readiness to comment and where appropriate intervene on these matters.

1. INTRODUCTION

VLV welcomes this opportunity to comment on the Ofcom work plan for the coming year. It is appreciated that the scope of the Ofcom remit is wide and has at its core the interests of the community at large.

1. The five priority areas identified by Ofcom are relevant and important. Section 4 is useful in expanding on the details of the proposed approach. The report would have been easier to read and appreciate had it been structured according to these priorities.
2. The reports listed in 2.2 and published over the last few months that provide data on market trends are a valuable contribution to our understanding of the changes in consumer behaviour and the potential of technology changes. Whilst convergence in the communications market, with its blurring of the traditional boundaries between communications service provision, has been known and expected for many years; its rapid acceleration during the last few years of the introduction of new devices and technologies and the consumers' take up of the services they support has been marked, indicating a need to recognise the speed of change and its consequences for traditional market and service delivery models.
3. It is vital therefore that the correct balance is struck between maintaining long standing traditions that have served consumers well in the past and introducing new approaches to planning that recognise the power and value of changes in the market place.
4. Section 2 of the consultation report provides a good summary of the detailed trends which will shape the communications market in the future and Section 3 provides a summary of the consequential strategy required to deal with those trends. It would appear that this strategy corresponds with the market trends and takes a liberal view of regulation but retains powers to intervene where appropriate.
5. VLV cautiously welcomes this approach and the statements on its spectrum strategy in Section 3.33 but will be alert to developments under the second item listed that relates to balancing the needs of other spectrum users, specifically **public service broadcasters**.
6. VLV interests are concentrated on the following:
 - Spectrum issues, specifically including broadband extension, which impacts on and is closely linked to spectrum matters and
 - Broadcasting regulation, specifically the public service remit, cross media ownership and the relicensing programme for Channels 3, 4 and 5.

and so our response below is limited to these two areas.

7. It is noted that, whilst DTT and its future adaptation is given prominence in this work plan, there is no clear plan to give DAB a similar migration plan (beyond the known intent to effect a switchover of FM). The two services are very different in several respects but DAB technology is old and in need of upgrading.

2. SPECTRUM

1. It is recognised that the electromagnetic spectrum is a finite resource that must be deployed in the interests of the nation as a whole and that our use of it in the UK has to be coordinated with our near geographic neighbours. It is also recognised that international standards in communications technology have an important effect on policy.
2. As a result of the recently completed Digital Television Switchover (DTVSO) project a substantial amount of spectrum in the UHF band is now being reclaimed and more will be reclaimed later, for use in supporting other services that require additional spectrum resources, specifically mobile communications. Whilst VLV recognises the need for this redeployment, it also has deep concerns about how it has been planned.
3. VLV understands that digital methods of transmission require less spectrum to deliver more services than had been necessary for its predecessor - analogue technology. However, VLV has concerns about the steady erosion of the amount of spectrum allocated to PSB as a result of increasing demands from other sectors – specifically mobile communications – and the relaxation of the rules that protect this spectrum from interference. Whilst it may be appropriate to adopt a market led model in the planning and regulation of communications services it is right and proper that PSB interests are protected robustly.
4. VLV has deep concerns that, for the first time in the history of PSB, large scale interference from other services using an adjacent spectrum allocation will be allowed consciously to have a detrimental effect on the ability of consumers to receive PSB transmissions. Whilst it is said that mitigating steps will be taken to deal with this matter at no cost to the listeners and viewers of these services, this is the first time that this situation has been brought about and so VLV wishes to record its reservations about government intentions in relation to PSB. VLV will observe the progress of the introduction of 4G in the 800 MHz band with keen interest.
5. VLV has responded to various consultations on this issue in the past and has specific concerns about the implications of the work plan and those that will follow in future years as the demands on spectrum change and intensify. Whilst the current auction for the use of the 800MHz spectrum block released from the UHF band as a result of DTVSO is a *fait accompli* and will result in interference to those viewers receiving their DTV signals in the vicinity of new 4G mobile masts and handsets, it is understood that the same process may be repeated in the not too distant future in the 700 MHz band.
6. The reclamation of the 800 and 700 MHz bands puts considerable pressure on the DTT platform. VLV is very alarmed by the statement in section 5.27 suggesting that the 600 MHz band of currently unallocated spectrum may be treated as “interim”. IT will seek early clarification of the meaning of this wording. DTT must be allowed to compete without undue limitations caused by insufficient amounts of protected and reliably available spectrum.

7. It is possible therefore that the proposed work plan will not be confined to a few consumers being affected in a single event; rather there will be a continual need for consumers to be disrupted and inconvenienced over the next decade as 4G systems and other technologies are implemented in reclaimed UHF spectrum. This will inevitably lead to additional costs (not counting any mitigation provisions) when consumers will be forced into purchasing new TV sets or set top boxes to replace those that may only be a few years old, in order that they may continue to receive DTT services that may have migrated to a new technical standard. It is understood that these new standards are necessary so that less spectrum will be required than with currently deployed technology. All costs of reorganising the DTT platform associated with the deployment of 4G should be borne solely by the mobile operators.
8. It behoves Government to be open and honest with consumers about the longer term objectives, not only the short term reach of this work plan, in relation to PSB services and the spectrum allocated to them, the need to adapt new standards and the impact that this has on consumers over a period of time. Given the particular need to manage the UHF spectrum over the next decade VLV wishes to see a clear migration strategy for the DTT platform and the services it carries and to see that strategy submitted to public comment.
9. In addition to these concerns about the direct effect of 4G services on DTT PSB, there are also concerns about the effects of the use of 'White Space' and other spectrum sharing services in the UHF bands that remain allocated in principle primarily to DTT/PSB – rather than dedicated, as has been the historical norm – that could easily lead to a degradation in the quality of DTT services if the spectrum is not given adequate management. Specifically it is expected that Ofcom will treat any disruption to DTT services as a result of White Space devices with the highest priority and urgency. VLV welcomes the commitments expressed in clauses 6.17 and 6.18.
10. It is recognised that the provision of better and more widely available internet services is beneficial to the UK economy at large. The provision of these services will, as has been highlighted above, place an increased demand on scarce spectrum.
11. By providing a high speed internet service it is possible that over a long period of time the need for broadcasting as we know it today, together with its use of dedicated spectrum, will diminish because the content can be delivered to a variety of connected devices via the internet. Whilst this is an attractive prospect, the cost efficiency of broadcasting and the reliability of its delivery of the same content to many people simultaneously is significant and highly valued. The social and community value of the same shared experience should not be underestimated.

3. PSB REGULATION

1. VLV welcomes the statements on participation in clauses 3.34 to 3.37.
2. VLV notes that investment in programme content by the public service broadcasters has continued to fall. VLV considers that this continuing loss of investment has adverse consequences for the quality and diversity of programmes and it urges Ofcom to work with both Government and broadcasters to reverse this process. This is important not only for UK viewers and listeners but also for the UK content creation industry.

3. In the five years from 2007-2011 investment in first-run, original television content has reduced by these amounts:

Channel	% Reduction
BBC	15
ITV	22
Channel 4	18
Channel 5	27

4. When this loss of investment is analysed in terms of different television genres as provided by the five public service broadcasters (BBC, ITV1, C4, S4C and C5) there are some equally disturbing findings. For example, between 2007 and 2011 spending on first-run programming reduced as follows:

Genre	% Reduction
News & Current Affairs	15
Education	33
Factual	16
Drama & Soaps	30
Children	17

5. Looking at the overall spend on children's programmes, including repeats and bought-in material, then investment has gone down by 22% from 2007-11. VLV urges that Ofcom, in consultation with Government, seeks improvements in the service that PSBs offer to children.
6. By contrast, if you look at the statistics for investment in first run feature films for television in 2011, you find that while investment has risen very significantly (by 196% over the five years) the actual amount spent is only 12% of total expenditure on what are probably largely popular but imported, 'second run' foreign films.
7. Some actual spend figures, rather than percentages, may illuminate the value placed on different genres by all the public service broadcasters in 2011. The spend in that year for all hours of output in selected genres (first run and bought in) was as follows:

Genre	Spend £m
Drama and soaps	642
Sport	481
Factual	462
News & current affairs	307
Feature films	228
Children	102
Education	18

8. Despite the overall loss of investment over time, it should be noted that the British PSBs by and large maintain a high proportion of spend on original production. So, for example, this stands at:

Genre	% Spend
News & current affairs	100
Factual	97
Children	86
Drama & Soaps	84

9. That these significant proportions of investment in new, first-run programmes have been maintained is in large measure due to the quota requirements laid out in the 2003 Communications Act and to the requirements in the BBC's Charter and Agreement.

In conclusion, in respect of the regulation of public service broadcasting VLV urges Ofcom to seek all means for maintaining and improving quality and diversity in public service broadcasting. PSB programmes are valuable not only in respect of leisure activities but as importantly in respect of understanding, tolerance, public debate and practical support for the exercise of well-informed citizenship.

(All data in this section is drawn from Ofcom's *Public Service Broadcasting Annual Report, 2012*, pp. 8 and 11)