

Panel Demands new Scottish broadcaster

An independent panel of media experts has called for a new Scottish Digital Network to be funded out of the television licence fee.

The Scottish Digital Network Panel says that a new public service broadcaster for Scotland would give a huge boost to the creative industries, would have major cultural and social benefits, and would help to drive the uptake of high-speed broadband services.

The panel was asked by Culture Minister Fiona Hyslop to make recommendations on how the SDN could be established and funded. The creation of the new network was the key recommendation of the Scottish Broadcasting Commission in 2008, and was then unanimously endorsed in the Scottish Parliament.

The SDN would consist of a new dedicated television channel available on Freeview, satellite and cable, supported by a wide range of digital content on broadband. The annual cost of the new service has been estimated at GBP75 million, which is about two per cent of the current licence fee income.

The report says:

“An allocation from the television licence fee remains the most appropriate source for funding the Scottish Digital Network and that is the recommendation the Panel is making. We feel it would be wrong to make significant claims on other forms of general public funding at a time when all services are suffering reductions for the foreseeable future.”

The panel points out that the television licence fee is now regarded across the political spectrum as the best source of

funding for public service broadcasting in general and not just the BBC. The Welsh-language broadcaster S4C will receive £76 million annually from the licence fee from 2013-14, and there is also to be a substantial contribution to the costs of new local television services around the UK.

The report criticises the outcome of the recent licence fee settlement between the UK Government and the BBC as being 'determined in haste in private meetings', without the opportunity for public consultation and for consideration of the debate and the demand in Scotland.

The panel rules out advertising as a possible source of funding for the SDN, saying: "Any advertising revenue attracted by the new service if commercially funded would most likely be at the expense of other Scottish media rather than representing additional revenues in the market."

[The report](#) notes what it calls the 'financial precariousness' of much of traditional commercial media in Scotland, adding that 'we are convinced public funding through a fairer redistribution of the television licence fee income is the best way to deliver the Scottish Digital Network'.

Blair Jenkins, who chaired the SDN Panel and also the Scottish Broadcasting Commission, said:

"Our aim was to build on the very widespread public and political support for the SDN by setting out a clear description of how it can be established and funded. We hope that both the momentum and the consensus can be maintained for this transformation of Scottish broadcasting."

Other members of the Scottish Digital Network Panel are:

* Professor Neil Blain; Head of Film, Media and Journalism at Stirling University

* Judith Mackenzie; Investment Director at Downing Corporate Finance

* Charles McGhee; Media consultant and former Editor of the Herald

* David Wightman, former member of the Scottish Broadcasting Commission and founder and former CEO of Creative Edge Software

Ms Hyslop said:

“Blair Jenkins and the Panel have produced a thoughtful and considered report, and I thank them for that. The report makes it clear that there is a convincing argument in favour of the Scottish Digital Network.

“Since the Broadcasting Commission reported, the proposal of the network has enjoyed cross-party support in the Scottish Parliament. This report exemplifies how the network can make an invaluable contribution to Scottish broadcasting and to Scotland’s social, cultural and democratic life.

“The Panel’s report identifies the television licence fee – which will soon be used to fund S4C and local television – as the most appropriate source of funding for the network. It is now for the UK Government, which currently has responsibility for broadcasting, and which secretly agreed a new licence fee settlement last autumn, to commit funding for the network and address the deficit of public service broadcasting north of the border.

“The UK Government’s local media action plan acknowledges that there is a different media environment in each of the devolved nations. It must recognise this by working with us to establish a digital network for Scotland which could then accommodate more localised broadcasting.

“Rather than adding to the plurality of media – which the Scottish Digital Network offers – there is a danger that UK Culture Secretary Jeremy Hunt’s plans for local television could result in Scottish viewers actually receiving less local and regional content.

“Mr Hunt’s indication that ITV/STV’s public service broadcasting commitments could be dropped present a real cause for concern. The review he commissioned indicated that the local television anticipated to replace those services is unlikely to be commercially viable in anywhere but the largest centres of population. This could potentially leave the four million Scots outside the Glasgow area without a choice of public service broadcaster.”