



16th May 2018

Thank you for the opportunity to comment on the impact of the new BBC Scotland TV channel.

As one of the largest news organisations in Scotland publishing 26 newspapers, including three national titles (The Herald, The Sunday Herald and The National), two regional dailies (The Evening Times and Greenock Telegraph) and dozens of long established weekly titles serving communities across the west and east of the country, and employing 158 journalists, we are hugely concerned about the impact of the proposed major expansion of the BBC's news operation in Scotland.

The scale of the planned investment in editorial is vastly disproportionate to that required to produce and broadcast a quality hour of news coverage and threatens the future of our newspapers, websites and the journalists we employ in Scotland.

Indeed, were the BBC run on a business model in line with the rest of the media industry there is an argument to be made that it could comfortably produce the additional editorial from existing resource.

As OFCOM is aware, commercially funded news publishers face a very challenging economic environment. Central to our ability to sustain our newspapers and their important journalism is the ongoing development of our news websites, which generate vital revenues from both advertising and paid online content.

BBC Scotland's extensive news provision on the BBC website already undermines our ability to attract and monetise the audience to our websites.

If BBC Scotland is permitted to build their online Scottish news presence further, this will add further unfair competition in particular, to our Herald Scotland pay wall - why would 9,567 online subscribers paying up to [£9.99] per month be prepared to stick with us if BBC Scotland poaches those Scottish journalists we currently employ and puts their content online for free?

We would be grateful if OFCOM could give us assurances that measures will be put in place such that the BBC will not use the Scottish TV news channel to further attack our business model and the sustainability of commercially funded news provision in Scotland.

We would also encourage OFCOM to ensure that, in line with the rest of the competitive media industry, the ongoing viability of the BBC channel for Scotland is based on measurable but realistic performance targets by which its success and the investment of tax-payers money can be judged.

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In addition, we would urge consideration be made to ensure there is not a distorted market rate being offered to lure specialist and highly skilled journalists whose very expertise is the lifeblood of our national titles.

There is already clear evidence based on current online news provision that these extra resources will also be used to expand the BBC's written digital services in direct competition with ourselves. As outlined by the SNS, we believe this is a clear contravention of the BBC Charter of December 2016 which states that it "should offer a range and depth of analysis and content not widely available from other United Kingdom news providers".

If, as we expect, BBC Scotland expands its written services, it puts us as commercial news providers at a clear disadvantage. The commercial reality of operating in an already crowded and challenged market place means we are less well-equipped to compete against an expansive and expanding publicly-funded operation. The BBC will in effect be actively challenging our operation in contradiction of its Charter obligations.

The BBC clearly sets out in its submission last year: "There will be potential to produce further news output or re-version content for use on the website (with particular focus on longer, more investigative pieces) and social media, allowing a richer range and depth of journalism, cross-platform... This will enable an enhanced mobile and online offer through more bespoke content for the website."

As an industry we are facing further rationalisation and the viability of many of our titles is increasingly being questioned. We appreciate, therefore, Ofcom's recognition that "a significant increase in the scale and scope of the BBC's online news provision could draw readers away from Scottish print and online news providers". However, we believe the onus should be on the BBC to demonstrate its plans will do no harm. Its assurances need to be firm and measurable guarantees.

The future of our 26 titles and 158 journalists are at stake.

Yours sincerely,

A solid black rectangular box used to redact the signature of Henry Faure Walker.

HENRY FAURE WALKER
Chief Executive Officer, Newsquest Media Group Ltd