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Mapping Futures for News

Trends, Opportunities and Challenges for Scotland

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A development from the Institute for Advanced Studies

Scottish Universities Insight Institute
James Weir Building
75 Montrose Street
Glasgow G1 1XJ
www.scottishinsight.ac.uk

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This programme, funded by the Institute for Advanced Studies, was originally scheduled to run from Sept. 2009 to April 2010. Due to circumstances beyond our control, the programme activities were cut back to focus on a substantial interview based survey of the Scottish news sector, the results of which were presented in a seminar in June 2010. During the seminar, Blair Jenkins also gave a talk on the Scottish Digital Network, of which a transcript has been included in this report. The programme team members were:

Brian McNair, Queensland University of Technology (formerly, University of Strathclyde)

Marina Dekavalla, University of Stirling

Raymond Boyle, University of Glasgow

Graham Meikle, University of Stirling

Note:

The Scottish Universities Insight Institute is a development from the Institute for Advanced Studies (IAS), funded by the University of Strathclyde as a pilot from January 2009. Now a formal partnership of five Scottish universities (Dundee, Edinburgh, St Andrews, Stirling and Strathclyde), we have become the Scottish Universities Insight Institute. As the "Mapping Futures for News" programme was funded in a period before the name change, this report refers to the Institute for Advanced Studies (IAS).

Contents

Introduction

Scotland's system of news media is recognised as one of its most important and valuable national assets. Since the Edinburgh Enlightenment, the Scots have supported an exceptionally rich and multi-layered public sphere, today comprising local newspapers such as the West Highland Free Press, "national" newspapers such as the Scotsman and Herald, London-based UK-wide titles with substantial Scottish editions such as the Sun, and a genuine plurality of TV and radio news providers. In recent years, these have been joined by a thriving online sector.

News is a major Scottish industry, the products of which contribute significantly to the Scottish sense of national identity, as well as enhancing the quality of life and governance in the country. Long before we had a Scottish parliament, we had a uniquely Scottish media, serving the particular and distinctive needs of Scottish political culture and society. With the advent of the parliament and devolved government, the news media's democratic role as the foundation of a Scottish public sphere became even more important. But in Scotland, as in many other countries, news media are at a key moment in their evolution.

There is talk of a "crisis" of Scottish journalism, although this is probably not the right word to describe an industry which remains largely in profit, and whose products are purchased and used by millions of Scots every day. Others call it a "revolution", seeing in current trends the imminent overthrow of the old media order and its replacement with something new, and possibly better.

Both views are a response to the destabilising impact of the internet, and what the accelerating digitalisation of our society means for "old" print and broadcast media. Online revolutionaries see this process as a positive one, breaking the age-old dominance of top-down, centralised, profit-driven media and enabling unprecedented public access to and participation in a new kind of media culture, more democratic and dynamic than anything hitherto seen. In the pessimistic discourse of crisis the depressive effect of the global financial crisis on advertising revenue combines with accelerating digitalisation and the migration of audiences to new platforms to threaten the production of what we will call for the purposes of this discussion "quality" journalism.

"Quality", of course, is a subjective property when it refers to cultural production. We will use it here as shorthand for a journalism which is adequately resourced and ethically practiced. To call for "quality" journalism is to recognise that although news and current affairs can, indeed must be entertaining and recreational for much of the time, they also provide an essential public service in a liberal democracy – a cultural resource every bit as essential to the health of the democratic process as the NHS is to the physical and mental well being of the population.

With the exception of the BBC, all Scottish news organisations are commercial enterprises. Their proprietors and shareholders have a legitimate interest in making reasonable financial returns from their investments. But the news commodity is not like others. It impacts directly on public life and our private lives too, by what and how it reports.

We cannot measure the extent of it precisely, but no-one doubts that journalists have influence, and that news media are potentially powerful instruments in the formation of public opinion. What news media do — what they write, speak and show, of politics, the economy, society — matters profoundly.

The public, then, has a legitimate interest in maintaining the supply of quality journalism, and a right to be concerned when a news media system which has worked so well for so long is so clearly in the process of fundamental transformation, as the analogue platforms of the twentieth century cease to be the main carrier media for news, gradually replaced by networked, mobile, interactive devices which give the news consumer more choice over what is consumed, and when, and how. Choice, too, over whether to pay for journalism, which in the digital world is often free at the point of access.

The scale of this transformation is seen not just in how individuals access and consume news. It is apparent, also, in the rapidly evolving structure of the public sphere itself. The centralised, capital-intensive, top-down, elite-mass media pyramid of the previous century, attached to which the professionalism of the journalist was a guarantee of news' objectivity and democratic value, and the basis for a structural separation of the producer and the consumer of news, is being replaced by a horizontal online network of content-generating users, bloggers, social networkers, citizen journalists, media literate activists and all those who can, because of the communication technology at their disposal, now contribute to the globalised public sphere. They read, but they also write.

As a result, the role of professional journalists as trusted experts is under challenge as never before from an amateur army of reporters, investigators and pundits. The salaried journalist is in numerical decline in Scottish newsrooms as companies cut costs and integrate labour-saving technologies into their operations. Those who remain struggle to preserve their professional status and identity.

If the old media system was pyramidal and linear, a fixed, inflexible, closely controlled structure disseminating news from elite to mass with relative predictability and precision, the new one is cloud-like. It lacks boundaries and clearly defined layers. It is irregular and constantly changing shape. It is unpredictable, and subject to no top-down central command. Within it, once stable categories which used to structure and shape the news melt and merge — professional and amateur, participant and reporter, consumer and producer, enhancing the sense of dislocation felt by many of those raised in the analogue era.

The Scottish news media, like those elsewhere, confront a moment in cultural evolution caused by a technological shift which cannot be reversed, even if we wanted to. It just is, like the printed book just was. And like the onset of print culture half a millennium ago, digitalisation brings the opportunity for huge and rapid advances in human well being.

To make the most of that opportunity requires adaptation. Only successful adaptation to the digital environment will enable news and journalism as we know and value it to survive. And successful adaptation requires understanding of what the essence of journalism is. What is its core use value, in a small country like Scotland? What is it in Scottish journalism particularly that we wish to preserve and transfer to the new platforms of the digital era?

The Mapping Futures of News research and seminar programme, sponsored by the Institute for Advanced Studies in 2009-10, addressed those questions, as well as the many more immediate issues facing the Scottish news industry, such as how to survive the current period of often traumatic transition. This document summarises that work, and identifies:

- Where the main Scottish print and broadcast news media are in 2010, in terms of circulation and ratings figures;
- the key trends currently impacting on Scottish news media;
- the responses up to now of government and regulators to assist the Scottish media through the present problems;
- the responses of the news media themselves.

The following text was researched and drafted by Marina Dekavalla, with contributions from Brian McNair, Raymond Boyle and Graham Meikle. A draft of the report was presented to a seminar at IAS premises in Glasgow in June 2010, addressed by Blair Jenkins. His speech is reproduced in full as an appendix.

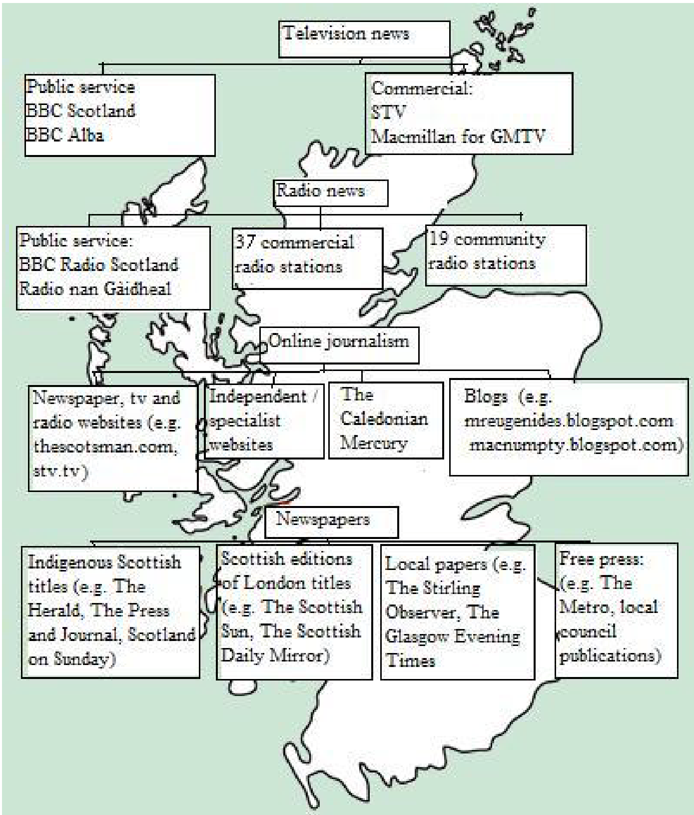
Brian McNair
Marina Dekavalla
Raymond Boyle
Graham Meikle

December 2010

1. A Map of the Scottish News Industry

The Scottish news media comprise by international standards a rich mix of broadcast, print and increasingly, online outlets (figure 1). At the time of writing, the main producers of news in Scotland were as follows.

Figure 1. Major producers of news in Scotland by media sector



a. Television

BBC Scotland

BBC1 in Scotland broadcasts a 30 minute news bulletin of UK and international news made in London (*The Six*), and produces for the Scottish audience *Reporting Scotland*, a 30 minute bulletin on Scottish affairs which comes after the UK news. BBC Scotland has other news slots of shorter lengths at different points during the day. The main current affairs programme on BBC Scotland is *Newsnight Scotland*, transmitted four days a week at 11.00. *Reporting Scotland* is produced in Glasgow, with contributions from BBC studios and correspondents throughout Scotland.

BBC Alba

BBC Alba is a digital channel broadcasting in Gaelic. Launched in September 2008, it is a partnership between the BBC and MG Alba, a body funded by the Scottish Government. They produce a 30 minute news bulletin, *An Là*, which is aired at 20:00 on week days, combining Scottish, UK and world news produced in Inverness. *An Là* specialises in stories from across the Highlands and Islands area.

STV

Like the BBC, STV has news slots of different duration during the day, and one hour of news between 6-7 pm. This includes a 30 minute bulletin produced locally (*STV News at Six*), followed by an ITN-produced programme of UK national and international news (*ITV news*). STV holds two ITV licences, one for central Scotland (STV Central) and one for the North of Scotland (STV North), and produces local editions of *STV News at Six* for each. The Central version is produced in Glasgow and the North in Aberdeen.

The news service for STV's breakfast show *GMTV* (*Good Morning Television*) is provided by independent production company Macmillan Media, which also makes *GMTV* bulletins for Northern Ireland. Macmillan produce local editions for central and north Scotland.

b. Newspapers

Scotland has more than 80 local newspapers,[1] in addition to Scottish editions of UK national titles such as the Sun. The main proprietors are:

Johnston Press, best known in Scotland as the owner of the *Scotsman* newspaper, a daily morning title produced in Edinburgh, and *Scotland on Sunday*, its Sunday sister paper. The group also publishes another 17 daily papers and 300 local weekly titles in the UK and Republic of Ireland.

DC Thomson owns a range of publications including daily morning titles such as the *Courier* (Dundee) and the *Press and Journal* (Aberdeen), a Sunday tabloid (the *Sunday Post)*, evening papers and magazines.

Newsquest is a subsidiary of the US-based Gannett Co., operating in Scotland as the Herald & Times Group. It publishes the *Herald*, *Sunday Herald*, and *Glasgow Evening Times*. In the UK, Newsquest owns 17 paid-for titles and more than 200 weekly papers, magazines and trade publications.

Trinity Mirror Group are the owners of UK-wide titles the *Mirror* and *Sunday Mirror*, which publish different editions for different areas in the UK, including Scotland. TMG own the *Daily Record* and *Sunday Mail*, two of the highest selling Scottish popular titles. In Scotland, their local titles are run by their subsidiary Scottish and Universal Newspapers.

News International is the UK newspaper branch of Rupert Murdoch's international media business. The company has expanded in Scotland with dedicated Scottish editions of the *Sun* (since 2006 has the highest circulation in the Scottish newspaper market), the *News of the World*, the *Times* and the *Sunday Times*.

Associated Newspapers publish Scottish editions of their UK-wide titles *Daily Mail* and *Mail on Sunday*, as well as the *Metro*, which also has a special Scottish edition.

[1] http://scottishnewspapers.com/.

Northern and Shell Media produce the *Scottish Daily Express* and *Sunday Express* as well as the *Scottish Daily Star* and *Sunday Star*.

c. Radio

The main provider of radio news in Scotland is BBC Radio Scotland. It produces local news bulletins for several Scottish regions, including Orkney, Shetland, the Highlands, the North East, the South West, the Borders and the central belt. Radio nan Gàidheal is the radio component of BBC Alba and produces news bulletins in Gaelic.

There are 37 commercial radio stations in Scotland, 13 of which are owned by Bauer Radio, one by Global radio, three by the Guardian Media Group and 20 by independent owners. They all produce local news for their respective areas.

19 community radio stations (such as Insight Radio, Awaz FM, Sunny Govan) transmit in geographically limited areas and focus on hyperlocal news or content relating to specific interests.

d. The Internet

The major Scottish online news outlets are the web sites of brands already established on newspapers, television and radio stations (for example thescotsman.com, stv.tv, news.bbc.co.uk/1/hi/scotland/)

Trinity Mirror owns a series of local news websites under the icscotland brand.

BBC Local is an online hub with local news for different regions. In Scotland it has six websites.

There are a number of independent online news providers, carrying specialist or local news (e.g. shetland-news.co.uk, forargyll.com, allmediascotland.com)

In January 2010 the Caledonian Mercury was launched, becoming Scotland's first online-only general news outlet.

Blogs. Various directories identify over 160 Scottish blogs, about 100 of which include commentary on politics and public affairs (eg. gerryhassan.com, mtmg.wordpress.com). This number is growing steadily.

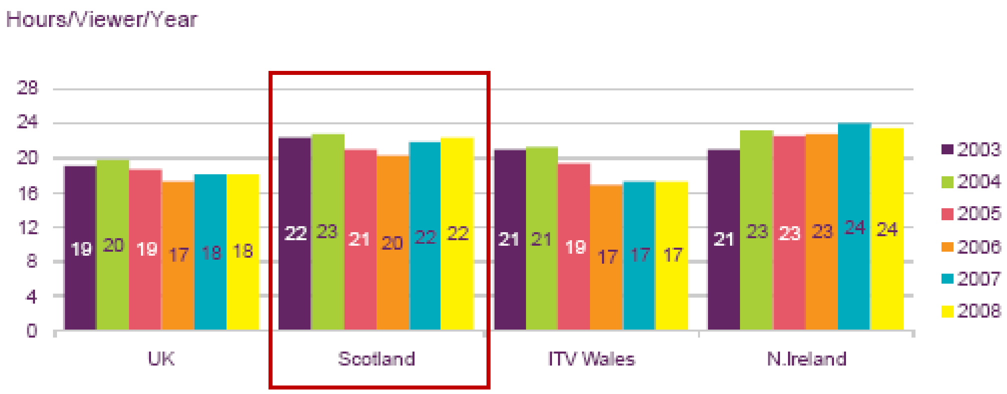
2. Trends, Opportunities and Challenges for Scottish News

a. Broadcast media are still playing a major role in Scotland's news provision

In 2009, an average of just under a million people watched BBC Scotland's and STV's main regional evening bulletins taken together,[2] about a fifth of the Scottish population. Cold weather in December 2009 and January 2010 meant even higher, indeed record viewing figures for Scottish TV news, with the BBC alone reaching just under a million viewers on one day in January 2010. An average of 650,000 people regularly listen to BBC Radio Scotland's news and current affairs programmes. Bauer Radio Scotland estimates that almost all of their listeners, who number 1.7 million people, listen to the station's three-minute news bulletins. According to Ofcom, in the first quarter of 2009 commercial, community and public service radio reached in total 87.4% of the Scottish population.[3]

Between 2003 and 2006, Barb figures showed a small gradual decline for Scottish television news audiences. In 2007, however, STV's *News at Six* started increasing its ratings, as did BBC's *Reporting Scotland* in 2008. In 2009, their average audiences were 434,000 for STV and 477,000 for the BBC bulletin. According to Ofcom, people in Scotland watch more hours of Scottish TV news than the UK equivalent average (figure 2 below). The same research found that 55% of people in Scotland claim that television is their main source for local news, while 28% prefer newspapers. Both figures are higher than the UK averages (49% preferring television and 23% preferring newspapers).

Figure 2. Combined total hours of viewing of early evening regional news bulletins, all homes, 2003-2008



Source: BARB. Analysis done on genre regional News, start time 17:55-18:35, 10 mins+ duration, channels BBC One and ITV1 combined, Monday through to Friday.

Source: Ofcom Communications Market Report 2009: Scotland

b. Penetration of new technologies in Scotland is lower than the UK average

While broadcast news media still attract large audiences, research shows a relatively slow expansion of new communication technologies in Scotland. According to Ofcom, in the first quarter of 2009 broadband penetration in Scotland was at 60%, the second lowest in the UK after Wales. Although take-up in Edinburgh and Aberdeen was over 70%, only 39% of homes in Glasgow used broadband services. PC

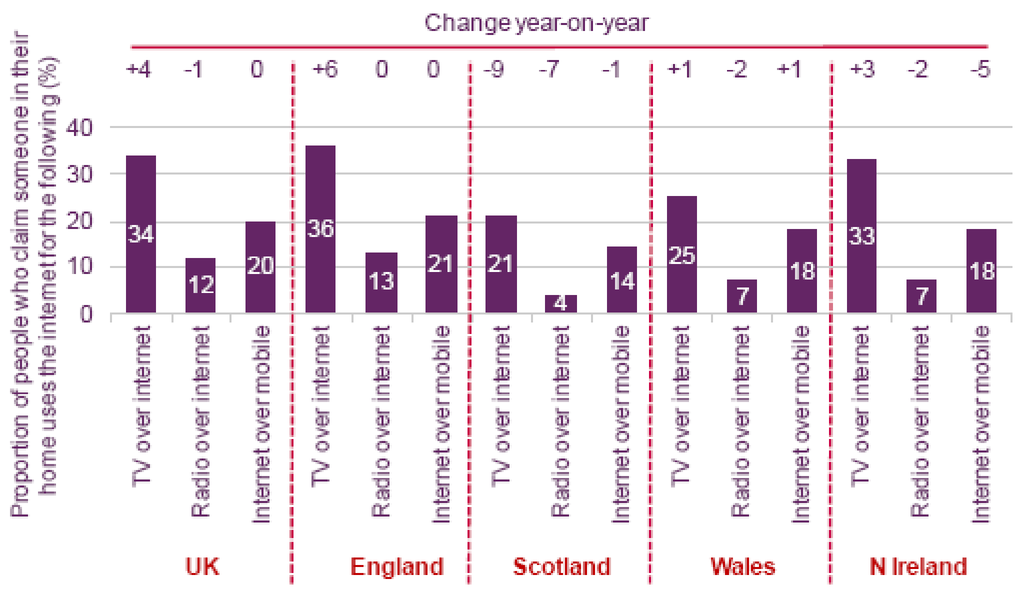
[2] Barb figures for 2009.

[3] Ofcom Communications Market Report 2009: Scotland.

ownership was also lower than the UK average, at 65% of Scottish homes. DAB digital radio had a 25% penetration, compared to the UK average of 41%. 3G phone adoption was at 20%, again the second lowest across Britain.

According to the same report, Scotland was the only UK nation where watching TV and video content online declined between 2008 and 2009 (figure 3). The numbers of people who said they or someone in their families used the internet to watch television content (21%) or to listen to the radio (4%), as well as those who used their mobile phones to access the internet (14%), were the lowest in Britain.

Figure 3. Consumers' use of converging platforms



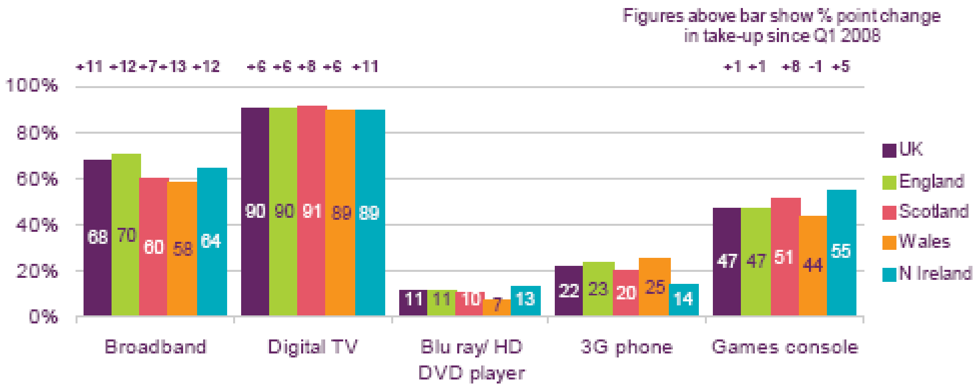
Source: Ofcom research, Quarter 1 2009
Base: All adults aged 15+ (n = 6090 UK, 3437 England, 1014 Scotland, 987 Wales, 652 Northern Ireland)
QE12. Which, if any, of these do you or members of your household use the internet for whilst at home?. QD28. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?

Source: Ofcom Communications Market Report 2009

The new technology with the highest penetration in Scotland is digital television, reaching 91% of homes in early 2009 - the highest in Britain (figure 4). This is consistent with the same report's finding that Scots watch the most hours of television (analogue and digital) in the UK.

The problem of universal availability of broadband services has preoccupied UK governments in recent years. After its election in May 2010, the Conservative – Liberal Democrat coalition announced that they will use a part of the underspend on digital switchover to ensure a minimum universal service level of 2Mbps. Moreover, they announced three market testing projects for superfast broadband services in rural and hard-to-reach areas. In his speech in June 2010, Culture Secretary, Jeremy Hunt, spoke of the need for the government to have a role in supporting the development of broadband services across the UK and in achieving the best superfast broadband network in Europe.

Figure 4. Take-up of main communications devices and platforms



S
ource: Ofcom research, Quarter 1 2009
Base: All adults aged 15+ (n = 6090 UK, 3437 England, 1014 Scotland, 987 Wales, 652 Northern Ireland)
QE9. Which of these methods does your household use to connect to the internet at home?/ QH1a. Which, if any, of these types of television does your household use at the moment?/ QB1. Which of the following do you, or does anyone in your household, have in your home at the moment?/ QD24B: Do you personally use a 3G mobile handset?

Source: Ofcom Communications Market Report 2009: Scotland

c. Newspaper circulations are declining faster than audiences for broadcast news, and in Scotland faster than the UK as a whole

Of the traditional media, newspapers are experiencing the highest decline in their reach. Moreover, Scottish newspaper circulations are declining faster than those of the UK as a whole. In 2008, for example, the circulation of *The Herald* and *Sunday Herald* fell by 10%, and the *Scotsman/Scotland* On Sunday by 8%, compared to a decline of 5.6% for the UK press as a whole.[4] Figures up to late 2010 show continuing declines in circulation.

Yet even though some indigenous Scottish titles have lost half of their readership in recent years, some 1.2 million people in Scotland still buy a newspaper every day. Popular titles such as the *Daily Record* and the *Scottish Sun* maintain circulations over 300,000. Taken together, the circulations of just these two daily morning titles added up to 660,000 copies in January 2010 (figure 6). Despite the problems they face, therefore, newspapers remain a significant source of news in Scotland.

The fact that Scottish newspaper circulations are declining faster than the UK average should be set against the fact that Scotland has a large number of newspapers for the size of its population: 17 morning titles and a large number of local evening and weekly papers compete for readers. This has hitherto been sustainable, because more Scots have tended to read more newspapers than people in other parts of the UK. As noted by Tim Blott, Regional Managing Director at the Herald & Times Group, many Scots used to buy more than one newspaper title per day.[5]

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[4] ABC.

[5] House of Commons, Scottish Affairs Committee (2009, 1st July) *Crisis in the Scottish Press Industry: Report, Minutes, Oral and Written Evidence.*

Figure 5. Scottish circulations of daily morning titles: elite and middle market[6]

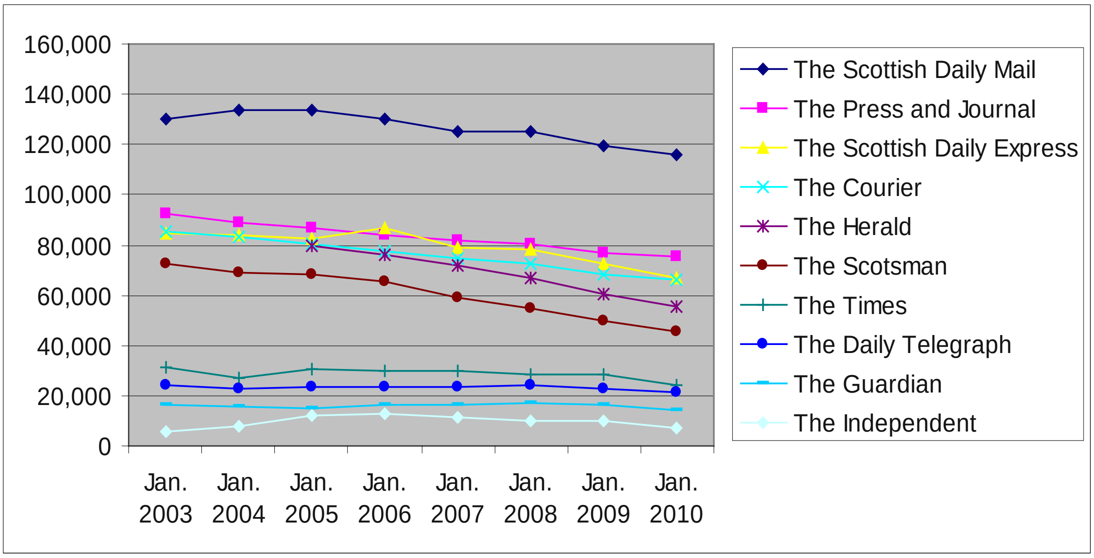
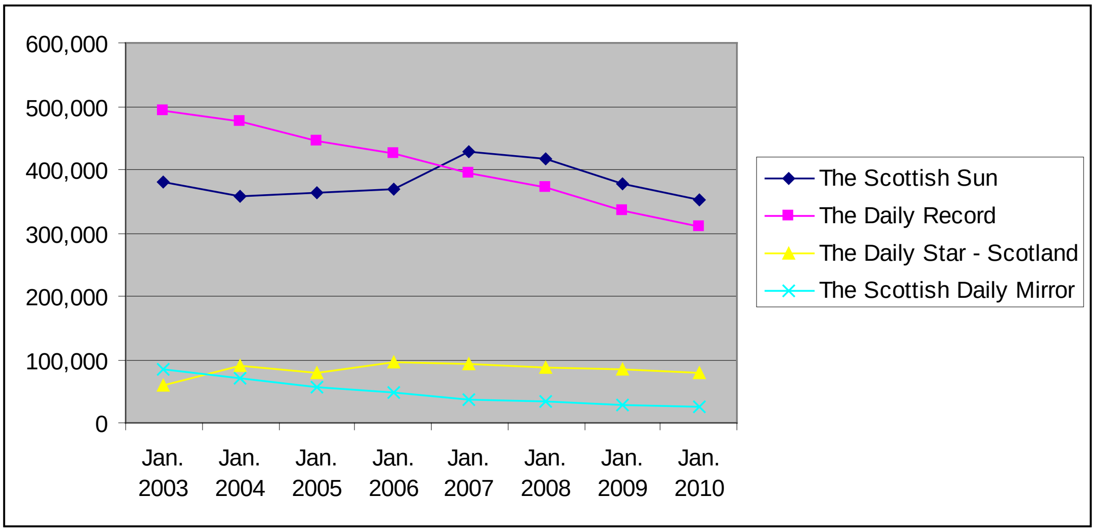
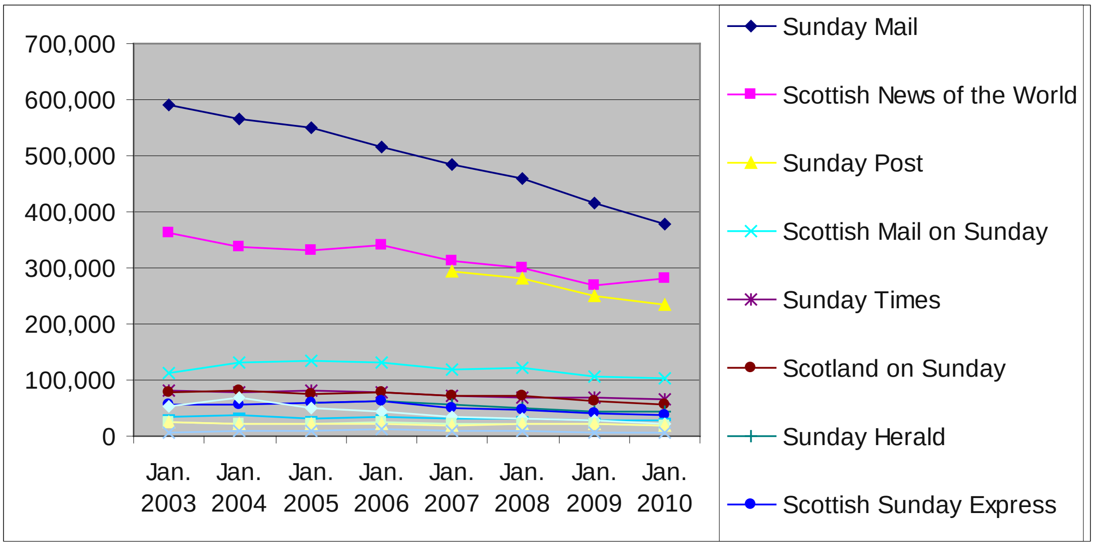


Figure 6. Scottish circulations of daily morning titles: popular titles[5]



[6] The data for tables 5-7 are from abc.org.

Figure 7. Scottish circulations of Sunday papers[7]



d. Competition with the London-based press

In the last 30 years, competition in the newspaper market has been intense with London-based titles targeting a Scottish readership with special editions, alongside the indigenous Scottish press. Newspapers like the *Sun* and the *Daily Mail* have increasingly invested in editorial content for their Scottish editions and promoted them through price cuts and reader offers. According to David Dinsmore, editor of the *Scottish Sun*, his paper's editorial strategy does not consist in "taking the English paper and filling in some Scottish material. We take the Scottish paper and fill in some English material." The high penetration of local editions of London papers in the Scottish market can be seen in figures 5-7 above. Titles such as the *Scottish Sun* and the *Scottish Daily Mail* enjoy higher sales than some of the indigenous Scottish press, however, in the last three years, they too are slowly losing readers.

Some of those interviewed for this research argue that Scottish editions of London titles have access to greater resources than indigenous Scottish newspapers and thus pose a competitive challenge. According to John McLellan of Johnston Press, the *Scotsman* and the *Herald* were squeezed by both the *Scottish Daily Mail* and the *Times*. In the popular sector, the *Scottish Sun* overtook the country's top selling daily, the *Daily Record*, for the first time in 2006 and is still the highest selling title. In the Sunday market, the *Daily Record*'s sister paper, the *Sunday Mail,* remains the highest selling title. Allan Rennie of Trinity Mirror notes that Scotland is the only part of the UK where the *News of the World* is not the best selling Sunday paper.

Another competitive factor in the Scottish news market is the growth of a free daily press. The main free title, *Metro*, is distributed at train stations, buses and airports and had a steady distribution of around 118,000 between 2003 and 2008 in Scotland. This increased to 128,000 in 2008 and remains at around that level (127,615 copies in January 2010).[8] The few references to the *Metro* made by interviewees for this research characterised it as a condensed source of news, lacking in-depth analysis. However, picking up a free *Metro* on the way to or from work, with or without the use of other news sources has proven to be

[7] The data for tables 5-7 are from abc.org.

[8] ABC.

adequate for many readers, and can be assumed to have contributed to the decline in paid-for titles in the two decades since the first "free sheets" appeared in Scotland.

e. Away from the central belt – relative success?

Another observation that can be made from tables 5-7 is that the two main non-central belt titles, the *Press and Journal* and the *Courier*, show a slower circulation decline than the other Scottish indigenous titles. One interviewee suggested that their slower decline is due to the fact that their markets have not been targeted to the same extent by the London press. Another pointed out that these titles have invested less in the development of websites, and suggested that this explains the resilience of the print version. In his evidence to the Scottish Affairs Committee investigation on Scottish newspapers, Paul Holleran, Scottish Secretary of NUJ, argued that the success of these titles is due to their owners' modest expansion plans (whereas, in his view, the rest of the Scottish press industry has embarked on over-ambitious expansion and unrealistic returns on investment), the stability of their staff and their good industrial relations inside the organisation. Both the editors of the *Courier* and the *Press and Journal* emphasize their papers' focus on local news as a strength. Bill Hutcheon, Editor of the *Courier*, argues that local news in the areas reached by his paper is its niche and core business, while Derek Tucker, Editor of the *Press and Journal*, stressed that local news is his paper's unique selling point. Both titles combine local news with Scottish, UK and international news, though they place primary importance on coverage of their specific regions.

In their research into the US press, Downie and Schudson found that newspapers which specialise in regional and local news tend to survive, and to protect their print circulation and advertising revenue.[9] Tom Thomson, Group Managing Editor at the Herald & Times Group, agrees that finding niches in the market where no other outlet provides news is a vital requirement for Scottish titles to survive.

f. Competition in a multimedia news environment

Declining audiences for newspapers is not a just a Scottish phenomenon but a UK and global trend,[10] widely attributed to the emergence of alternative platforms for news: the rise of broadcast media in the 20th century meant that newspapers began to share both audiences and advertising revenue first with radio and later with television. The latest addition to the media mix has of course been the internet, which has transformed the competitive environment for traditional news providers.

Much, if not all, online news is freely accessible to all those with a computer and internet connection. The internet offers the user the possibility to access a wealth of textual and visual material in relation to a story, as well as to personalize the selection of news one receives, to interact in the process of news generation and distribution by producing material, commenting on or publicizing existing news stories, bringing them to the attention of others through blogs and social networking sites. Online news may be consumed at any time of the day, while the ability to access the internet on small, portable devices means that news can also be consumed wherever one wants. Research carried out in the United States found that people's experience of news is becoming increasingly personalized, participatory and portable, as a result.[11]

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[9] Downie, L. Jr. and Schudson, M. (2009, October 20), The Reconstruction of American Journalism

[10] OECD (2010, 10-11 March) *The Evolution of News and the Internet*.

[11] Pew Internet & American life project (2010) *Understanding the Participatory News Consumer.*

Allan Rennie, Editorial Development Director at Trinity Mirror Nationals, believes that since daily life, work and leisure stopped being organised in regular cycles around key activities undertaken at specific days and times (like working, shopping, watching football or a film), audiences have changed the way they consume information. They have become accustomed to accessing news and other forms of information at a time that suits them.

For advertisers, the internet is attractive because it offers the opportunity to target consumers of specific demographics more directly and efficiently. Although online news is funded by advertising, online advertising is spread out across different types of websites, with search engines receiving the greatest share. According to the 2009 UK Internet Advertising Bureau Factsheet, search advertising accounted for 62.6% of the online ad spend last year, with display advertising at 18.1% and classifieds at 19.2%. According to the same report, online "was the only media sector to show growth in advertising revenues" in 2009. [12]

Although the internet is not yet the most popular news source in Scotland and traditional news platforms still dominate people's choice of news sources, it adds a major new source of competition in the sector. David Dinsmore, of the *Scottish Sun*, argues that elite newspapers are more affected by this competition than the popular press, because their core middle-class audience has easier and more regular access to computers and the internet than that of popular titles. For this reason, he suggests that the market demand for printed popular newspapers is likely to survive longer. The entry of the internet in the news media mix, however, does not only affect newspapers, but commercial news organisations on other platforms as well. The financial challenges created by the loss of audiences and advertising revenue to old media have been further intensified by a cyclical contraction in both caused by the economic recession of 2008-9.

3. INDUSTRY RESPONSES

Des Freedman argues that news organisations in the UK have responded to contracting audiences and advertising revenue by (in many cases slow and hesitant) expansion to online platforms, cutting operation costs, diversifying their businesses into new areas such as classified websites, and seeking ways to monetize their online activities.[13] These strategies were all mentioned in our interviews with Scottish media managers.

a. Migrating online

All the major print and broadcast news producers in Scotland now have an online presence. These vary from basic websites with minimal content, to more sophisticated sites incorporating all of a title's journalistic content as well as archives, blogs, audiovisual content, and advertising. For some outlets the expansion to online platforms has brought significant success in attracting users. According to its Annual Review 08/09, BBC Scotland's websites were accessed by 3 million unique users on average per week in the first quarter of 2009; during the same period *scotsman.com* recorded 2.5 million unique users.

[12] Internet Advertising Bureau Fact Sheet: Online adspend – H1 2009: http://www.iabuk.net/media/images/iabresearch_adspend_adspendfctshth108_5253.pdf.

[13] Freedman, D. (2009), "The Political Economy of the `New' News Environment." In Fenton, N. (ed.), *New Media, Old News: Journalism and Democracy in the Digital Age*, London: Sage.

For many of those we interviewed, the internet is regarded as an opportunity to increase exposure to their products and ensure the survival of their brands in a multiplatform future. Atholl Duncan, for example, Head of News and Current Affairs at BBC Scotland, observes that the number of people who visit BBC Scotland's news website now exceeds the number of those who watch Reporting Scotland. He notes that while the audience for that programme has increased over the past two years, online access has grown at an even faster rate, attracting a new younger group who traditionally consume less TV news.

Commercial print and broadcast news providers are also moving into the field of classified online advertising. For example S1, the online classifieds division of the Herald & Times Group, accounted for 40% of the total company profit in 2008.[14] However, commercial news websites remain exercised by the question of how to monetize their online presence and make up for the loss of audiences or advertising from other platforms.

When transferring to the online context, income needs to be derived from advertising and/or from those who use the news service. Although the online format makes it easier for websites to prove to advertisers how many people are exposed to their messages, there is evidence that online news consumers tend to read just a few stories, often directed to them through links in other websites or search engines, and spend relatively little time on this content.[15] This, combined with the fact that the internet hugely expands the available supply of advertising space as compared with the analogue era, further reduces the price online media can charge for advertising. In a 2009 event organised by the Berkman Center for Internet and Society, Clay Shirky argued that in the 20th century news organisations could invest in quality journalism and at the same time be profitable by "overcharging" for advertising.[16] With the advent of the internet, this is no longer possible.[17] Andrew Currah of the Reuters Institute for the Study of Journalism notes that:

> [i]n the age of the search-powered web, the consumer is increasingly unwilling to pay for news, and prefers instead to read selected parts of the news agenda. The web therefore leads to the "commoditisation" and "atomisation" of news. Without large audiences the advertising value of news is reduced. The internet is capturing a rapidly growing share of total advertising expenditure, but most of this is going into paid search, controlled by new media companies such as Google, which aggregate the news (and other content) but do not create it.[18]

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[14] House of Commons, Scottish Affairs Committee (2009, 1st July) *Crisis in the Scottish Press Industry: Report, Minutes, Oral and Written Evidence*.

[15] At a recent Future of the Media debate held in Glasgow, consultant Douglas MacCabe pointed out that online users spend on average less than thirty minutes per month on news sites, as compared with the many hours typically spent browsing through newspapers and watching TV.

[16] http://www.youtube.com/watch?v=tnW2Lv8aFGs.

[17] On the other hand, Shirky argued that charging news consumers for online content would undermine a key feature of the internet: news on the internet reaches large audiences when people forward links to a story to others or publicise them through social networking sites; as Shirky puts it the online audience "creates itself". Blocking free access to news stories would limit the public re-use of journalistic output and therefore its reach. He suggests that revenue-funded journalism, socially produced journalism and journalism funded by non-profit organisations should develop in parallel in order to sustain quality journalism.

[18] Currah, A. (2009), *What is Happening to Our News*, Reuters Institute for the Study of Journalism.

Another option for making online journalism profitable is to ask website visitors to pay for content. There is a range of charging options, such as full service subscriptions or payment for individual items (micropayments), or hybrids of the two. News International decided to set up a mechanism, or pay wall, to halt free access to its online content in summer 2010. From the end of June 2010, the *Times* and *Sunday Times* websites charged visitors £1 for one-day access to their online content and £2 for a week's access, with other News International websites in the UK, and News Corp titles overseas, expected to follow.[19] As of this writing, some 100,000 subscribers had signed up to the *Times/Sunday Times* site, and the commercial success of the News Corp pay wall experiment remains unclear. In Scotland, Johnston Press has put some of its *Scotsman* and *Scotland on Sunday* content behind a pay wall.

John McLellan of the *Scotsman* suggests that "it's not a matter of putting up a pay wall and either it works or fails" but rather of finding the tipping point where people will pay for content, as well as the right price. Tom Thomson argues that News International's experiment is crucial because it will show if net users will accept the idea of paying for general news online.

The pay wall strategy also alters the conditions for advertising on news portals. As mentioned earlier, in the free-access model, successful news websites attract large numbers of visitors who stay on the website for a limited amount of time and do not necessarily visit it on a regular basis. Pay walls and other charging methods may limit the number of visitors, but they create a smaller, identifiable customer base willing to pay for regular access. According to Tom Thomson, this can offer a higher value for advertisers and allow the websites to charge more for advertising. Others in the Scottish industry believe that because the internet is widely perceived as a free medium (as long as the costs for equipment and internet connection are covered), any effort to charge for online news will face difficulties. For example, according to Lynda Henderson, Director of *forargyll.com*, people are unlikely to pay for online news because the very nature of the internet "comes from sharing, from free access to information." Further, a 2010 Nielsen worldwide survey asked people whether they would pay for online news. Just 34% of those surveyed said they might consider paying for news content online, while 79% said that if the majority of news sources charged for their online content, they would no longer visit their websites and seek the same information elsewhere for free.[20]

Some of those interviewed believe that people would pay for "niche" content that they can not find anywhere else, such as local or regional news. Others thought that since people are less inclined to spend time in front of their computer screens reading news, the future will be in providing services through mobile phone applications instead. The introduction of tablet devices in the market in 2010 opens up additional opportunities. According to one interviewee, tablets are particularly important for the newspaper market as, due to their size and potential to present graphics, they offer a newspaper-like feel and future generations of the tablet are likely to be even more practical, slimmer, faster and foldable. In a recent article, Bill Thompson argues that the availability of free news online means that people will be less likely to pay for it, though they may be prepared to pay for the "curation, integration and convenience" offered by mobile devices applications that deliver branded journalism from your selected news provider to

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[19] Bunz, M. (2010, 26 March), "Times and Sunday Times websites to start charging from June," *The Guardian*, http://www.guardian.co.uk/media/2010/mar/26/times-website-paywall.

[20] The Nielsen Company (2010), "Changing Models: A Global Perspective on Paying for Content Online."

your hand.[21] The Guardian iPhone application is a successful example of this model, selling 9,000 copies in its first two days.

Another factor cited by many of the interviewees as a barrier for private news organisations to charge for content is the availability of publicly funded, high quality online news on the BBC websites. Although the problem of whether and how online content can be paid for is faced by news providers internationally, many of those we interviewed argue that in the UK there is the extra factor of competition from the BBC. Debate on the right business model for online journalism remains intense, not only in Scotland but everywhere in the world. Atholl Duncan of BBC Scotland observes that "perhaps we're using analogue thinking to solve digital problems; perhaps a different mindset is required." According to Lynda Henderson of *forargyll.com*, the key to succeeding in an online context is strategic planning, enterprise and dedication in putting a story online as soon as it happens because immediacy is a key aspect of online news.

b. Engaging the audience

A key feature of the digital environment is its potential for user interactivity with, and contribution to, the news product. This may take the form of actively producing content (textual and visual) and comment for news, or filtering, selecting and drawing others' attention to news stories found elsewhere, through blogs or social networking. The internet also facilitates interaction between journalists and readers, co-creating stories and debate around stories on newspapers' live-blogs and on social networking sites.[22]

Representatives of the news organisations we interviewed generally view the content produced by their users in two ways: as useful material in their news coverage, and as a marketing tool to increase their regular online visitors. Many interviewees argued that enabling User Generated Content (UGC) is a significant way of engaging audiences and getting them to visit the website regularly. It is also a way for the organisation to get visual material from the scene of a news event, as in the case of the 2007 Glasgow airport bombing. For some UGC is valued, while others think that it is overhyped. According to one newspaper editor, in practice UGC consists mainly of online comments, not "amateur journalists providing you with the scoops that you missed', while some interviewees spoke of the difficulty of getting a diversity of online users to participate in creating or co-creating content.

Perhaps a degree of scepticism or disappointment with UGC might reflect what has been seen as the relatively limited success of mainstream regional media,[23] in building active online communities of users, at least to the extent that UK media, such as the *Guardian*, or the BBC have achieved. Community media, whether online or offline, appear as alternative spaces for the expression of grassroot issues and perspectives through community participation, even if at a hyper-local level.

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[21] Thomson, B. (2009, 16 December), "The Media and the Message": http://news.bbc.co.uk/1/hi/technology/8414725.stm.

[22] Beckett, C. (2010, 11th June), "The Value of Networked Journalism," Polis Journalism and Society, The London School of Economics and Political Science.

[23] Beckett, C. (2010, 11th June), "The Value of Networked Journalism," Polis Journalism and Society, The London School of Economics and Political Science.

Although the contribution of visual material and opinion/comments by members of the public is generally seen positively, there is scepticism in the industry around the public's capacity to function as "citizen" journalists. There is a general mistrust of the quality, objectivity or truthfulness of news stories offered by members of the public and an emphasis on the need for moderation on the part of the news organisation. From this perspective, the role of journalists in a participatory online context is to investigate and verify facts, as well as to help organise and interpret events in a complex, fragmented world.

c. Convergence of news platforms

In addition to moving their existing content onto websites, news organisations are responding to the new environment by enhancing their online presence with multimedia content. Video content is increasingly becoming a common feature on many news websites, whether these belong to a television station, a radio station or a newspaper. This process has been made easier by the availability of lighter, smaller and easier to use cameras. Television news producers explained that the traditional two-member team which covered news stories in the past — the journalist and the camera operator — is in decline. Journalists increasingly research, write, present and shoot their own stories, allowing the news producer more reporting capacity, or "more cameras on the ground', at the same time as creating cost efficiencies. Newspaper and radio journalists are also increasingly required to produce their own multimedia content, adapting their practices to the opportunities offered by the online context.

This process has two consequences. On the one hand, what were previously perceived as separate platforms, with separate content (television, radio, print and online news) are merging into a single entity: a news product that may be delivered on different platforms. Says Alasdair MacLeod, Head of Editorial Standards and Compliance at BBC Scotland:

> We used to operate as a bi-media newsroom. After the internet emerged, we evolved into a multimedia newsroom. People who produce the online service are at the heart of the newsroom. They are part of one continuous news team. Rather than producing news at various points during the day, we now produce news continuously.

A further consequence of convergence is to bring into competition organisations that were previously not competitors. On the internet, the website of a newspaper may compete for audiences and/or advertising with that of a television channel. For example, many of those interviewed in the private media sector see the BBC website as a competitor and its public service status an unfair advantage. At the same time, the expansion of different organisations to classifieds websites means that newspapers such as the *Scotsman* and the *Herald* and television channels such as STV compete for the same classified advertising revenue.

The convergence of platforms offers opportunities for consolidation and alliances between media organisations that previously operated in different markets. Some of our interviewees see such consolidation as the future of the Scottish news industry, especially as the new UK government promised a significant relaxation (and potential future removal) of local cross-media ownership rules. Another possibility is the overall blurring of the boundaries between different types of media organisations with print organisations branching out into the broadcast market, for instance. However many of our interviewees also expressed scepticism regarding the readiness of print journalists to produce broadcast material and argued that training in multiplatform news production is required to enable the emergence of a product of good quality across different formats.

d. Rationalizations

Spring 2009 was a time of restructuring in Scottish newspapers, with Johnston Press, Newsquest and Trinity Mirror engaging in a process of voluntary redundancies which would help them merge some of their operations. Paul Holleran, Scottish Secretary of the NUJ, reports that "around 200 less journalists work in the *Herald*, *Evening Times*, *Sunday Herald*, *Daily Record*, *Sunday Mail*, and *Scotsman* publications than in 2008. But many have been offered the chance to go back on a freelance or casual basis." Newspapers were not the only ones to undergo restructuring. BBC Scotland have also shed about 100 staff jobs (but hired others in different posts or on fixed term contracts). NUJ membership has not dropped dramatically though: it had 3,500 members in 2008 and currently has 3,333. Apart from trying to cut costs, newspapers have increased their use of marketing promotions. One of the interviewees argued that all these measures may not prove adequate; that although cost-cutting and promotions may help newspapers buy time, the issue of if, and when, readership decline is going to stop and how newspapers will maintain their position in the market, has not been seriously addressed by the industry.

Despite the challenges, most of those interviewed for this document were optimistic about the future. Allan Rennie of Trinity Mirror, formerly editor of the *Sunday Mail*, notes that newspapers have faced similar challenges in the past and managed to survive. Some titles will be lost in the process of adaptation to digital and online, but some will survive and new ones will emerge to exploit the new possibilities. Many see further consolidation as very likely. A merger between the *Scotsman* and the *Herald* was seen by many of those interviewed as probable, as were mergers between local titles which circulate in adjacent areas. It was also seen as inevitable that some local newspapers will close. In addition, others see a gradual withdrawal of some of the London-based press from their investment in Scottish editions, a process which is already underway in some of these organisations. In late summer of 2010, the *Sunday Times* closed its *Ecosse* supplement. Nevertheless, the Scottish newspaper industry generally believes that it will overcome the current crisis and manage to maintain many of its brands into the future. For Derek Tucker of the *Press and Journal*:

> Radio was going to be the end of newspapers, television was going to be the end of newspapers, the internet was going to be the end of newspapers, the next big thing will probably be described as the end of newspapers but it has not come and I don't think it will. Those that don't invest in the quality of what they produce may find it difficult to survive. If papers are prepared to accept that the profit levels of 5-10 years ago are not sustainable, that there are still good returns to be made from newspapers, then I think the future's bright. I do have great confidence in the newspaper industry and I think its destiny is in the hands of the people who own the newspapers. I just hope that people will start to make the right decisions in terms of investing in the quality of the news product and that we regain confidence in what we do.

In ensuring their survival, newspapers will need to adapt to a more complex media environment than before and find a new position within it. This may involve significant changes, perhaps even losses, and a re-evaluation of their financial expectations. It will also involve investment in editorial content and in new ideas on how to maintain the relevance and appeal of their products to Scottish readers.

e. Sharing of resources between broadcasters

Although the BBC, as a public service broadcaster, was not directly affected financially by structural or cyclical financial decline, the commercial broadcast business model based on funding from advertising is acknowledged to be unsustainable as audiences fragment. Another response has been to cut production costs in broadcasting. The BBC has announced its intention, where possible, to share visual material and technical facilities with other providers of regional news.[24] In Scotland, the BBC and STV have already started collaborating, for example, in the coverage of court cases and sporting games, where just one organisation sends a camera and shares the visuals produced with the other. This frees up resources to cover more events. As long as each channel maintains its editorial independence and asks its own questions when covering a story, the sharing of visuals is generally seen positively by our interviewees. But it was argued that the savings made from this practice are not major and it cannot make a significant contribution to solving STV's funding problems.

4. GOVERNMENT AND REGULATOR RESPONSES

Governments in Scotland and Westminster have put forward a number of proposals to help commercial news organisations, both print and broadcast, respond to current challenges, on the assumption that quality news is a public good, essential for democracy, and the state should ensure its sustainability.

a. Helping newspapers survive

Direct subsidy of the press by the state is an option that all those interviewed for this document were categorically against. Receiving direct support from the state would, they believe, compromise newspapers' independence and ability to scrutinise and criticise the authorities. However, when less direct forms of subsidy were discussed, opinions diverged.

Many in the Scottish newspaper industry campaigned to dissuade Scottish local authorities from transferring public service advertising (recruitment and public information notices) from newspapers to public sector websites. The campaign – effectively a call for subsidy – was eventually successful and the Scottish government decided not to allow local authorities to advertise online only. Most interviewees argued that placing public information notices in newspapers served democracy as well as the print sector, because newspapers are more easily accessible than government websites. In Glasgow, for example, only 39% of households have a broadband connection. Only one of those interviewed felt that the public sector should not be legally obliged to place their public information announcements in newspapers. Perhaps, though, the new UK government's commitment to lower spending in the public sector may eventually influence the amount of advertising newspapers receive, as another interviewee points out.

The role of newspapers as the winning consortium in Scotland in the now abandoned IFNC project was also a matter where opinions split. Some thought that this would be a fair way of supporting the news industry, others that the state funding would create unfair competition and more problems than it would solve. According to Culture Minister, Jeremy Hunt, the public funding would compromise the competitiveness and

[24] Ofcom Local and Regional Media in the UK, September 2009.

creativity of the news companies concerned and it was therefore scrapped, as will be discussed in the following section.

In 2009, Scottish Labour spokesperson for culture, Pauline McNeill, proposed that the Scottish government should follow the example of France[25] and offer every 18 year old in the country a free newspaper subscription for a year,[26] in an effort to attract a younger audience to newspapers and maintain their future sustainability. Again, some interviewees thought this would be a good idea, others that it would cost newspapers part of their sales, as parents would use their children's free subscription as an excuse to stop buying newspapers. Besides, they argued, it is traditionally difficult to persuade 18-year-olds to read newspapers.

Another proposal is for the state to set up mechanisms to encourage newspaper ownership by non-profit organisations. Examples such as the *Guardian* and the *Irish Times* are both mentioned in support of this argument. One objection to this, echoed in the interviews conducted for this document, is that it may not be possible to transfer an existing newspaper title from private to trust ownership. As for the idea of establishing new, not-for-profit providers, our interviewees expressed doubts regarding the extent to which a trust can maintain sufficient funds. One claimed that a non-profit organisation may not be able "to create a competitive news product that people will want to buy."

b. The future of commercial regional news on television

Despite their commercial status, channels 3, 4 and 5 also have some public service obligations as part of their licences, which for channel 3 (ITV) include the production of regional news services. Nonetheless, ITV licensees have estimated that with the continuous decline in advertising revenue, after the switchover to digital television it will no longer be financially viable for them to maintain their public service news production. A report by the House of Commons Culture, Media and Sport Committee published on April 9 2010 supported this analysis,[27] which implies that licensees such as ITV in England and STV in Scotland would require additional funding in order to keep providing regional TV news.

As a means of addressing this problem, the previous UK government proposed the establishment of Independently Financed News Consortia (IFNCs) which would eventually take over the production of regional news for channel 3 licensees. The bid for the production of news for STV was won by a partnership of Johnston Press, Newsquest, DC Thomson and Question Time producer Tinopolis. The funds for IFNC pilots would initially come from the projected Digital Switchover Help Scheme underspend, and would

[25] In 2009 the French government decided to offer free newspaper subscriptions to all young people aged 18-24. The cost of subscriptions is shared with newspaper companies, while the French government invested 5 million euro in the project in 2009 (http://www.monjournaloffert.fr/).

[26] Mackie, C. (2010, 11 January), "Let 18-year-olds read all about it… for free" *thescotsman.com*: http://news.scotsman.com/politics/Let-18yearolds-read-all-about.5970383.jp.

[27] "The future for local and regional media": http://www.publications.parliament.uk/pa/cm200910/cmselect/cmcumeds/43/43i.pdf.

amount to £47 million over two years.[28] However, as mentioned earlier, the project was scrapped after the May 2010 election and a change of government to a Conservative Liberal Democrat coalition.

Although the IFNCs idea was welcomed by many of our interviewees as a solution that would ensure the continuation of broadcast regional news outside the BBC, there were a number of concerns regarding the effects that public funding would have in the commercial news market as well as in the balance between the products produced by the consortium and by individual consortium members. The new Culture Secretary announced that the funds planned for the IFNC project will be used instead for the roll-out of superfast broadband. For broadcasting, he proposed the establishment of local television channels funded privately, in a similar way that they exist in the United States.

Ofcom's 2009 Local and Regional Media report discusses the public value local television would add in the media mix available at a local and regional level and sets out the advantages and disadvantages of three models that could be adopted in the development of local channels: the networked, the stand alone and the hybrid model. The report also discusses potential difficulties that local television might face in the UK. For instance, there are differences between the UK and other countries where local television has proven successful (for example in the United States local stations benefit from stronger local advertising markets and fewer national terrestrial channels), while audience research on public support for local television revealed both positive views and reservations:

> On balance, we believe that the evidence shows that although there is some support for the idea of local TV, there is a level of concern about what such a service might deliver. There are good arguments for local TV being part of a healthy local media mix, but its importance to citizens and consumers in the UK, compared to other platforms, appears to be low, mainly because of the lack of existing services for citizens and consumers to refer to.[29]

Although such reservations may be overcome with the establishment of successful local channels, it appears that the main concern in relation to local television remains that of funding, at a time when advertising revenue is limited for existing media outlets. The example of Channel M in Manchester, which was established at the beginning of the 2000s but currently operates with significantly reduced staff and programming, is often mentioned along such concerns. The importance of securing advertising revenue for a channel of good quality to operate was also reflected in our interviews for this document.

To address this issue, the Culture Minister announced commissioned official research by Nicholas Shott into the potential for commercially viable local television stations within the local media landscape across the nations and regions of the UK and into the ways the regulatory framework can nurture profitable media companies. The abandonment of the IFNCs project still leaves ITV licensees without any additional financial support for their regional news production and the future of regional news on Channel 3 remains uncertain at the time of writing, especially as the current licences are due to expire in 2014. On the other hand, the IFNCs project brought together an alliance of Scottish news organisations whose proposal for multimedia local news production might be adapted in the future to fit a different regional media model of integrated TV, print and online news production.

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[28] Sweney, M. (2010, 25 March), "Johnston Press, Newsquest and Trinity Mirror win ITV regional news bids," *The Guardian*, http://www.guardian.co.uk/media/2010/mar/25/itv-regional-news-pilots.

[29] Ofcom Local and Regional Media in the UK, Discussion Document, 22 September 2009, p.110.

c. The Scottish Digital Network

The Scottish First Minister, Alex Salmond, created the Scottish Broadcasting Commission in 2007 with the purpose of carrying out research on Scottish broadcasting and to "define a strategic way forward for television production and broadcasting in Scotland."[30] The Commission's research highlighted the significance of television as a source of information on Scottish, UK and international affairs, as well as the appetite in Scotland for a choice between different channels providing Scottish news and opportunities for civic debate. Their survey found that although the majority of respondents thought there was an adequate amount Scottish news on television, 25% felt there was not enough coverage.[31] The Commission highlighted the need for more investment in Scottish news and proposed the creation of a Scottish Digital Network (SDN), including a new digital television channel with material created and broadcast in and for Scotland, and an online platform for Scottish content. This would be a public service broadcaster, providing a source of competition for the BBC, and its cost has been estimated at £75 million. News and current affairs on the network would cover Scottish, UK and international issues from a Scottish perspective, while Blair Jenkins suggests that it could initially produce about four hours of original programming per day.

The Scottish Digital Network proposal won support from all the main parties in the Scottish parliament and, according to the Commission's research, was also supported among the Scottish audience. Most of those interviewed for this document also thought that the presence of another broadcaster would enhance the plurality of voices in Scottish media. However, scepticism was expressed in relation to the source of funding for the Network. Blair Jenkins, Head of the Commission, suggested that funds could come from the auction of analogue spectrum after the TV digital switchover. An alternative source would be taxation. Jenkins also believes that funding from the television licence fee should not be ruled out at this stage.

The option of using the TV licence fee for purposes other than funding the BBC was discussed in several of our interviews. On one side of the argument, the licence fee was seen as essential to maintain the high quality of BBC output and it was argued that it should not be top-sliced. One interviewee argued that audiences pay knowing that the money will fund the BBC and it would be unfair to spend it otherwise. On the other hand, examples were mentioned of other countries where TV licence funds are used to support more than one news provider. Another interviewee also argued that if the opportunity was offered to private bidders, a quality national Scottish channel could be set up without state funding, although this may again prove problematic in an advertising market which is already difficult for existing organisations. Further, a mix of public and private funds could also be problematic and face issues with EU regulation, as Blair Jenkins pointed out.

If STV is no longer able to continue its news provision after its current licence expires, the need for an alternative broadcaster of national Scottish news to BBC Scotland may become more pressing. For instance, Blair Jenkins argues that, since devolution, there is even more civic debate on Scottish affairs and he suggests that broadcasting should reflect all that is happening by creating more space than currently exists on broadcast media for Scottish news and public affairs. In 2010, the Scottish Government announced the establishment, under Jenkins's chairmanship, of a panel to further explore the SDN proposal. A conference

[30] http://www.scottishbroadcastingcommission.gov.uk/about/History-Background.html.

[31] Scottish Broadcasting Commission Interim Report: Democratic Phase.

in Glasgow in November heard former BBC Director General Greg Dyle and others support the idea, which will form a major part of the Scottish media agenda in 2011.

d. The switchover to digital radio

The UK government has set out plans to switch national and local radio stations from AM and FM to digital in 2015.[32] Nevertheless, a necessary condition for this to happen is that DAB must reach 90% of the population. The target set by the government is that DAB listening reaches 50% by 2013, a figure which is quite far from the current figures of about 20% across the UK. UK commercial radio industry representatives have requested that the switchover date is pushed back because listeners are not yet ready.[33] Although our interviewees recognised the opportunities for tailor-made news to be offered on digital radio, concerns were expressed about low adoption of the medium among the public, and the migration paths available to local commercial stations. There were also concerns that DAB will not allow local news opt-outs.

5. SERVING LOCAL COMMUNITIES

As noted above, television news on the two STV licences currently caters for different regions through opt-outs both in its main evening news programme and in the Scottish bulletins produced independently for GMTV.[34] Although the BBC has studios and correspondents in different parts of Scotland, the news bulletin produced for BBC1 is the same throughout Scotland, while BBC Alba offers a service in Gaelic focusing on the north.

a. Analogue and digital platforms

One option for more localness on television news is the possibility of local television channels on an analogue or digital platform, as discussed in an earlier section. Another option would be local video news delivered through the internet, as proposed by the BBC some time ago. According to that proposal, the BBC Local service, currently a network of 62 local news websites for different areas of the UK, with 6 of them for Scotland, would have carried video news content. Nevertheless, the proposal was not approved and the websites operate today mainly in text-based form. One other constrain for television delivered through the internet at the moment would be the current limitations in broadband availability as well as limitations in its use especially among older generations.

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[32] Digital Britain report.

[33] Tryhorn, C. (2010, February 5) "Call to Delay Radio Digital Switchover," *The Guardian*: http://www.guardian.co.uk/media/2010/feb/05/call-delay-digital-radio-switchover.

[34] According to Catherine Brown, of Macmillan Media, there are a lot of editorial decisions to be made when preparing the central and north Scottish bulletins for GMTV. A balance is needed between local and Scottish stories and a distinction of what is relevant for each region. However, she thinks that if additional localness was to be delivered in the media on top of what already exists, then television in Scotland, with the current broadcast regions and technological restraints, would not be the appropriate medium for more local content - the internet, newspapers and radio would be better means.

b. Local newspapers and community radio stations

Local newspapers and radio appear to be the two major sources of local news in Scotland. BBC Radio Scotland, the public broadcaster, has local news opt-outs for a number of regions, as outlined earlier, and local commercial stations are also significant producers of local news. Graham Bryce, Managing Director of Bauer Radio Scotland, argues that in the broadcast media sector commercial radio fully covers local communities' needs for news because its news content is 100% local. However, with the exception of the Bauer stations and a few others, most of the other commercial radio stations in Scotland are independently owned and do not belong to media groups. Research carried out by the Scottish Broadcasting Commission in 2008, found that commercial radio stations in Scotland are affected by economic pressures which reduce "the strength and distinctiveness of any public service content." The Commission suggests that a well-placed alternative for delivering ultra-local public service content could be community radio.

The 19 existing community stations in Scotland broadcast in small geographical areas and serve both geographically defined groups and special interest groups. In some areas, community stations are very successful and offer an important service to local communities. In addition, community radio offers opportunities for community participation at a level which is not allowed by public service or commercial media and offers a space for the expression of voices and issues which are perhaps not heard elsewhere. However, funding for community radio is limited. The Scottish Broadcasting Commission recommended in 2008 that regulation and support for community radio should be reviewed to strengthen this form of broadcasting and its benefits to the public.

Local newspapers are mostly weekly or evening publications funded primarily through local advertising and/or cover price. For some of those interviewed, the local press faces more financial challenges in the current economic climate due to its dependence on local and classified advertising. For others, local newspapers have the advantage of exclusivity in a niche market and therefore will survive much longer than bigger newspaper titles.

Local newspapers also allow contribution from members of the public. These may take the form of tip-offs for stories newspaper journalists investigate further, or in many cases material regarding local events in schools, sports clubs and other community organisations, which are provided in full by members of the community, requiring little intervention from the journalist.

The internet allows even more community contribution in shaping the news. Independent local news websites are often heavily dependent on members of the community for their content. For instance, *forargyll.com*, an online project in the West coast of Scotland, has proved successful in engaging local communities within the three years of its operation. According to its Director, Lynda Henderson:

> *For Argyll* is produced by people who can write. Some of them are professional writers, some professional journalists. The standard of writing from professional journalists is not always necessarily great, sometimes you get better material from people who are just good at writing. We use writers who have specific interests in the areas we cover, we use people who have specialist knowledge. They write about issues which are important to them and which they think people should be informed about.

Due to the low production costs involved, the internet is a powerful medium in the service of local news and allows maximum grassroots participation. There are already online hubs of local websites for different towns run by the same organisation, such as the BBC Local project or the ICScotland sites run by Trinity

Mirror. The medium also offers opportunities for independent, community-run projects to contribute to the news landscape in Scotland.

Conclusion: Mapping Futures for News in Scotland

Scottish media organisations have the advantage of occupying a news-hungry niche market which, with the exception of Scottish editions of London newspapers, is not catered for by news organisations outside Scotland. They also have the strength of an audience which has traditionally demonstrated a great appetite for news. Newspapers, radio and television news have all enjoyed large audiences and significant advertising revenue in the past and, despite the decline we have noted above, remain powerful and influential today.

Nevertheless, the media and economic environment is changing, not only in Scotland but internationally. The addition of the internet to the news scene creates challenges for adaptation and re-positioning of traditional media, but also opportunities for expansion and investment in quality, multiplatform journalism and meaningful engagement with audiences, both at a Scottish and at a local community level. As media organisations focus on expanding their reach in a competitive economic environment, it is likely that we will see more “old” media branching into new platforms, collaborating with each other or merging into new entities. This might mean that fewer brands of news will survive into the future and that those that do survive will need to adapt their products to a new era. But, as our interviewees pointed out, this is something media organisations have always had to do to ensure their survival. One thing is certain – the combined impact of technological change, economic pressures and a new government at Westminster after 11 years of New Labour will by huge for the Scottish media. The next few years will be crucial across the media industry.

Annex 1: Sources used for this document

Interviews

A series of in-depth interviews were carried for the purposes of this project. We would like to thank the following interviewees for their participation and insights:

Catherine Brown, Macmillan Media

Graham Bryce, Bauer Radio Scotland

David Dinsmore, *The Scottish Sun*

Atholl Duncan, BBC Scotland

Lynda Henderson, *forargyll.com*

Bill Hutcheon, *The Courier*

Blair Jenkins, Scottish Broadcasting Commission

Alasdair MacLeod, BBC Scotland

John McLellan, *The Scotsman*

Allan Rennie, Trinity Mirror Nationals

Tom Thomson, The Herald & Times Group

Derek Tucker, *The Press and Journal*

and

Paul Holleran, NUJ Scotland, who was not interviewed for the document but kindly offered comments on NUJ membership figures

Reports

In addition to this material, a number of reports were consulted:

Beckett, C. (2010, 11th June), *The Value of Networked Journalism*, Polis Journalism and Society, The London School of Economics and Political Science.

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Annex 2: Blair Jenkins, "The Scottish Digital Network and the Future of Journalism"

Blair Jenkins, Scottish Broadcasting Commission

Public lecture delivered at the *Futures for News* event, on 3d June 2010

Scotland needs the Scottish Digital Network more than ever. The arguments we put forward almost two years ago are not only still compelling, they have become stronger and more pressing. And journalism – news and current affairs – is right at the very heart of the proposition. This is about better broadcasting, a more robust democracy and a stronger society.

Let me briefly explain what exactly the Scottish Digital Network is and set out the case that we made for its creation. Our vision was for Scotland for the first time to have its own dedicated broadcasting service, providing a wide range of public service programming including extensive news and current affairs. This would consist of a linear television service, but crucially also a very dynamic and multi-layered online presence – which is why I always talk about a network rather than a channel. We saw it as an integrated broadcast and broadband service – highly interactive and inclusive, with a strong emphasis on education and participation.

So when I speak about broadcasting, I use the term in its widest sense to encompass the production and distribution of audiovisual content for any platform and for any digital device.

At the heart of the argument for creating the new network is the need to have secure and sustainable competition in public service broadcasting in Scotland, rather than a BBC monopoly. There is a large deficit in PSB in Scotland. There is also a clear public demand for more Scottish content, and for more choice and competition. The Scottish Digital Network would mark the point at which broadcasting in this country finally catches up with devolution.

And if there is one thing I want to stress as much as anything else tonight it's what we said right at the beginning of our final report.

"Broadcasting is important to the economic, cultural and democratic health of the nation. At its best, it has a unique power and impact which can enrich our imagination and our thinking, and our space to share, discuss and challenge as a society."

I believe that very strongly. And in this lecture, I would like to focus particularly on the last part of that quotation – "our space to share, discuss and challenge as a society." I don't think that kind of space really exists right now in the Scottish media and I think we need it more than ever.

One thing that a keenly-contested General Election campaign reminds us of is how divisive and tribal politics can be and how difficult it is to secure any kind of agreement in most policy areas. And yet, in the extremely contentious area of broadcasting policy, the recommendations of the Scottish Broadcasting Commission were supported and endorsed right across the political spectrum, with every party in the Scottish parliament backing our proposals and singling out for particular approval the creation of the new Scottish Digital Network.

I think that Scotland has reached a stage where the political parties, while they certainly have differing views about the best constitutional future for Scotland, can all agree that as a distinctive nation within the UK we have reached a point where we have an economic, cultural and democratic need to have our own dedicated broadcasting service for the first time. I have talked to all of the political parties, and to people at all points in the spectrum of views on Scotland's constitutional future, and found acceptance of this argument is more or less unanimous.

So the argument has been made and accepted, Scotland is ready, the digital capacity is available, the politicians are agreed and the public is waiting. All we need to sort out now is the funding. How is it going to be paid for?

It's a very good question. They say timing is everything. We published our final report on the future for Scottish broadcasting in September of 2008. The idea of a new publicly funded public service network attracted wide support, including as I said unanimous support from all of the parties in the Scottish Parliament. Then just one week later on September 15 Lehman Brothers filed for bankruptcy in the United States, the global financial crisis was well and truly underway and suddenly any new form of public investment in anything apart from the collapsing banking system looked increasingly unlikely!

But you can't be lucky with everything….

I think we got most things right in our report apart from the misfortune of publication more or less coinciding with worldwide economic meltdown. I will return to the important subject of funding and timing a little later. What is very clear, however, is that as the need for the new network has grown stronger the funding has become more problematic.

Normally, the immediate aftermath of a General Election campaign is usually NOT the best time to try to persuade people that what we really need is more news and current affairs on television. By this point most people probably feel they have overdosed. But maybe things are different this year. It was a fascinating General Election and one that was dominated by broadcasting events. What we witnessed perhaps more convincingly than ever before was the power of broadcasting to set the agenda - to influence the opinions of voters, the level of engagement of the electorate and ultimately the outcome of elections. That is one reason why it is such an important source of news and information and debate.

There is of course another reason why the aftermath of this Election marks an interesting point at which to raise questions about the future of broadcast journalism in Scotland. It now looks as though the proposal to use public money to support regional news on ITV – through the independently funded news consortia - will NOT now go ahead. That includes here in Scotland, where the preferred bid for the contract consisted of an unprecedented collaboration involving the core indigenous titles in what we might call serious Scottish newspaper journalism. We have had no definitive announcement about the IFNCs, but there is to put it mildly a high degree of uncertainty about what happens next.

The most obvious thing to say about the future of news in Scotland is that standing still is not an option…..We have witnessed so much change in society and in media over the last 10 years, and right now just about everything that could be changing is changing: the economy, the technology, the political landscape, consumer behaviour, the regulatory environment.

Most of what I want to say is about audiovisual news, distributed over both broadcast and broadband networks. But you can't discuss those parts of the information landscape in a coherent or complete fashion without also making some reference to the printed media and the attempts by newspapers to evolve their business models in this very demanding digital age. I think the participation by the quality Scottish titles in the bid by the Scottish News Consortium has to be seen as part of that wished-for strategic move into more substantial digital development.

There are many concerns about the health of serious Scottish journalism, some of them no doubt overstated but many of them genuine and substantial. While it is incorrect to say – as some people do - that quality journalism is "dying" in Scotland, I think most of us would certainly like to see it with a stronger pulse. We recognise the symptoms of deeper underlying problems. Financial constraint has hit newspapers particularly hard, with an increased focus on cost control. Redundancy programmes now seem to be a familiar pattern across news media, in this country and overseas. Newsrooms seem to be cutting staff while increasing output. Not many of us would honestly say that the quality of the journalism has improved as a result.

Personally, I do believe most newspapers can reinvent themselves and find new digital business models that keep them as part of the future. Almost certainly the model will be different for different titles, and the exact mix of revenue from advertising, subscription and transaction will vary in each case. I would join in the general praise for the look and feel of the new Times website, but I would also join in the general uncertainty about whether pay walls will work. In Scotland, we cannot underestimate how important it is to preserve the future of the serious core of Scottish newspaper journalism.

But Broadcasting remains uniquely powerful and impactful. Already there are some clear major trends in digital media which seem to favour the news operations which are based on broadcasting rather than newspapers:

SPEED is the most obvious one. Everything keeps getting faster and there is no going back on the priority of immediacy. We all want to know the important stuff right away. News broadcasters – on air and online – are just editorially, technically and culturally better set up to do this than newspapers. And we are seeing more and more live video streaming of key news events. This is a very hard competitive disadvantage for newspapers to overcome.

PARTICIPATION by individual consumers or audiences is of course increasing across all news media. It's reflected in things like the blogs, the posting of comments on social networks and the sharing of links to interesting video and audio. Again, it seems to be milestone television programmes or high-impact video clips which trigger the biggest response – as I'm sure Susan Boyle would confirm, or even Alastair Campbell and Adam Boulton.

And the growth in ON-DEMAND platforms just means all of this stuff is easier to get – through video on demand, catch-up services, digital recorders and downloads. This trend will be enormously enhanced by many more television receivers and set-top boxes having internet connectivity, to a point where this becomes standard over a few short years. And the quality of content and services that can be brought to smarter mobile devices is also changing the industry. There will be more and more audiovisual content – including material with journalistic qualities – produced and distributed by more and more people and (in theory at least) viewable by more and more people.

These are strong underlying trends and big changes in media use and consumption. For professional journalists, I think the right combination is to use the new tools, but to preserve the same enduring values. Great new technology means you leave some old technology behind, but there are some things you must take forward. The underlying principles of good broadcast journalism remain the same. But the consumer now has more choice, more convenience, and more control and that particular trend is both welcome and irreversible.

In my view, irrespective of what happens to the IFNC proposal, there are overwhelming arguments for the Scottish Digital Network. The crucial objective is to have that secure and sustainable source of competition for the BBC in high-quality public service content produced for Scottish audiences. Those audiences want that choice of a greater volume and range of Scottish programmes – not just news, but entertainment, documentaries, history, drama, the kinds of things they just don't see enough of because not enough Scottish programmes are made.

I am in no doubt that the intensity of debate surrounding some Scottish programmes is directly linked to the relatively low levels of production in this country. Because anything that stands out in the schedules is comparatively rare, it tends to provoke an unusually amplified level of praise or criticism.

The most recent example of this is the BBC Scotland observational series The Scheme – which is not in itself a particularly original concept. There have been very similar series filmed elsewhere in the UK over the last ten years and more. The first one I recall seeing was called The Estate and it was filmed by ITV in London in the early nineties. It was very similar in intention and approach to The Scheme. I think we could also point to the big recurring row over the History of Scotland series in the last couple of years. There have been umpteen British or European history series transmitted by the main UK networks but none of them has provoked the same level of scrutiny or criticism as the Scottish series, in which everything was being questioned: the style of presentation, the academic methodology, the alleged editorial perspective. And as a final example, we can recall the tabloid outrage over the Chancers series some five or six years ago, which actually led to the withdrawal of funding for the rehabilitation scheme for young offenders which was featured in the series.

I am not assessing here the merits of the arguments made for or against any of these factual programmes. What I am saying is that there is in relative terms very little Scottish content on television. It is so rare for any television series in Scotland to stand out from the usual fairly predictable bill of fare, and landmarks whether good or bad are so few and far between, that these programmes when they do come along trigger a much higher level of scrutiny and soul-searching than their network equivalents. The burden of expectation is greater, the passions provoked seem to run deeper. If there is only one History of Scotland, then every editorial decision made takes on a significance and symbolism that seems disproportionate and maybe even unfair. But in a general context of such slim pickings in Scottish broadcasting, it is entirely understandable that the stakes are raised for any noteworthy programme.

The demand for more Scottish content is strong and heartfelt. And in our public attitudes survey, the highest levels of demand for programmes on a new Scottish network were the 58% who wanted more news programmes and the 52% who wanted more documentaries. There was of course overwhelming public support for the general idea of the Scottish Digital Network, with more than 80% of people saying they would watch.

Television is the dominant platform for public access to news and information in Scotland, being regularly used for that purpose by more than 80% of the population – way ahead of anything else. You do need more than just news to reflect a nation's sense of itself, but the importance of news is difficult to overstate. All the evidence suggests that the Scottish public values competition and choice in the provision of news and journalism, which is also important for a healthy Scottish democracy.

I always hesitate to be critical, but I do believe our broadcast journalism in Scotland needs more originality, more energy and more ideas. I haven't seen any new ideas in what feels like a long time. There is an absence of programmes that are ambitious or clever and offer some kind of new interpretation of what is happening in Scotland and the wider world. When was the last time you saw something challenging or inspiring or even mildly surprising? There is very little Scottish news and current affairs content that jumps out of the schedules at you.

In particular, I think we need new editorial models for holding governments to account and indeed others entrusted with public responsibility and public money. We need to investigate and scrutinise more, because that is serving the public interest. That doesn't mean being cynical about politics or politicians, which I would never endorse. You need to strike the right balance between scrutiny and challenge on the one hand, and a sense of mutuality and common purpose on the other. It can be a difficult balance to find.

When the Broadcasting Commission looked into news and current affairs, a frequent criticism from many of the people we spoke to was of the lack of opportunity for serious and in-depth examination of important public policy issues. This included the perceived omission of any attempt to connect policy debate in Scotland with what was happening elsewhere in the world or even elsewhere in the UK. There is a tendency not to join up the dots, to see debates in Scotland as happening in isolation whereas they are usually very similar to debates happening elsewhere in Europe and beyond. I believe it is important not to underestimate audiences or indeed their appetite for this kind of approach.

For me, that would represent a real breakthrough - to focus on the causes of change rather than just reporting the symptoms: whether it's the financial crisis in the banks and the wider economy, or the continuing debate about the right way to tackle Scotland's unhealthy relationship with alcohol, or what lessons we need to learn from the environmental disaster in the Gulf of Mexico. At this point, I believe Scottish newspapers are doing this job rather better than Scottish broadcasting. But, as I argued earlier, I think good journalism has more impact and resonance and genuine reach in a broadcasting framework.

The Scottish Digital Network would commission and broadcast serious investigative journalism, perhaps in a funding partnership with others such as not-for-profit entities with an interest in promoting a free and open society. That kind of collaboration to support good journalism needs to be further explored. We need funding for new voices and not just to sustain the existing ones.

We need Documentaries that become major talking points and help to stimulate debate: authored programmes by our leading thinkers, perhaps some of the people in this room. We need clever and ambitious programmes made by clever and ambitious writers and producers. We definitely need decent discussion programmes every week in Scotland in which audiences challenge and question the people in power. There are stories and issues that benefit from this approach, as Question Time proves repeatedly to the wider UK audience. We need that form of democratic engagement and opportunity in Scottish broadcasting.

So just checking that list, which is by no means exhaustive: more journalism that is challenging and original; more speaking truth to power; more depth and analysis; more context; more and better investigations; provocative documentaries by some of our leading thinkers; and debates and discussions which allow audiences to challenge the politicians.

There is a reason why the kinds of programmes I have described are not available very often under the present broadcasting arrangements. It is because BBC1 and BBC 2 in Scotland, and indeed STV, operate on the opt-out model of regional broadcasting, where they struggle to find decent slots or sometimes any slots at all for Scottish programmes. For STV, the obstacles tend to be commercial. For BBC, the obstacles tend to be corporate.

The opt-out model is a legacy model from an analogue age of limited capacity and limited choice. It still has some value, but it also has very real limitations and very real drawbacks. Look at the history and example of Newsnight Scotland, a programme with which I am very familiar. There's nothing wrong with a lot of the journalism, but the structure and scheduling are just wrong. The Newsnight opt-out continues to be technically inelegant, editorially compromised and ultimately unsatisfactory. And I say this as the guy who was brought in to launch the programme more than 10 years ago and as someone who is very conscious of the good work that Newsnight Scotland has done over the years.

Back in 1999, the idea of doing a 20-minute opt-out from the final section of Newsnight was reluctantly accepted by BBC Scotland as being better than nothing. It still is better than nothing, but that is hardly a valid benchmark. The answer should be to give the programme its own identity and its own half-hour slot on BBC2. But in spite of best endeavours that has proved impossible to achieve – there just seem to be too many problems in opting out of any other parts of the BBC2 evening schedule.

In general, there are profound commercial and corporate difficulties with the opt-out model, and a growing problem for both Scottish broadcasters in finding opt-out slots which do not have negative public relations consequences. In the opt-out model, you can't put in something new without taking away something that is already there and which is available throughout the rest of the UK. That is analogue thinking, not digital thinking, and it removes choice rather than extending choice.

From a Scottish perspective, there is obviously an even deeper problem with the structure and future of ITV. There is no doubt that ITV under its new leadership will be more and more commercially driven – leaving uncertainty about whether there will be room for STV at all in that commercial framework, let alone as a significant supplier of Scottish journalism.

By 2014 at the latest (when the current licences end), ITV will almost certainly have moved out of public service broadcasting entirely and will be positioned as a purely commercial broadcaster, much to the relief of its shareholders. As the industry regulator Ofcom has concluded and accepted, we cannot rely in future on ITV staying within the framework of public service broadcasting. And there is no formal period of notice for handing back the PSB licences. I think Scotland is very exposed in the middle of all of this uncertainty.

Things are already very difficult. The importance of choice and competition is widely recognised. Yet in the Scottish Parliamentary elections coming up next year, it is entirely possible that Scotland could be left in a position where only the BBC would be providing more than basic news coverage. The corporation could be a monopoly supplier of anything more substantial, such as campaign programming, leader debates or in-depth interviews of leading politicians. This would be good neither for the BBC nor for democracy.

That is not a criticism of the current STV management. They have broadcast decent campaign programmes and a leaders' debate during the recent general election campaign. But the point is that there is now no licence obligation on them to do so. They have a clear commercial priority and indeed duty to shareholders to maximise profits. They are also a PLC subject to takeover in the market, so we have no guarantee at all as to who will be making these decisions next year and what they will decide to do. The current Scottish licences offer inadequate protection of the public interest but that reflects a hard reality. As the value of the current Channel 3 licences declines, there is no leverage and no realistic basis for strengthening them, as the most recent review of public service broadcasting made very clear.

We need more guaranteed and more substantial competition for the BBC's Scottish journalism. At the UK level, we get this diversity from ITV, Channels 4 and 5, and Sky. We do not have Scottish equivalents of these services. What also seems clear in Scotland is that there does not seem to be a market-based solution. There is just not enough new television advertising revenue to be won by any new commercial entrant.

I believe we need an injection of change to the public service model. We need broadcasting that has a social purpose and not just a commercial purpose. Public service broadcasting guarantees standards in terms of fairness and accuracy and accountability. It is an investment in our democracy, an investment in our creative economy and an investment in our culture and our confidence.

I also believe most people in Scotland wish to have a cohesive and tolerant society with as many shared values and as much mutual respect as possible. To achieve that as a nation, we have to take responsibility for our own media just as we do for our own health. Arguably we are not doing too well on either front at the moment. Strong public service broadcasting can help to determine the tone and the spirit in which our major debates are conducted and help us to define ourselves as a decent and open community. As a civilised society, how we make our important decisions – especially the difficult ones – can be just as significant as the outcome itself. In the end, what unites us should always be more important than what divides us.

We also need to be aware of the dangers of the growing isolation of the poorest and most marginal people in society. That is a current reality and a future threat, particularly if large numbers of people remain excluded from the benefits of the digital age. There are questions here of guardianship and responsibility to future generations. Social inclusion in this context means the ability to communicate and participate in digital media. The Broadcasting Commission thought that the Scottish Digital Network should be an open source platform so that users of all ages and backgrounds could make use of the video and audio for social and educational purposes. I think that should be true of the journalistic content just as much as anything else.

We will always need good professional journalism. Newsroom leaders – the people trusted with positions of editorial and financial authority – have a responsibility to provide not just the resources but also the values to allow journalists to do their job. They must encourage good journalism and protect their teams from unreasonable demands. Anything else is a failure of leadership. I hope greater scrutiny will be applied to all of our key news providers in Scotland - how well they are performing their jobs and whether or not journalists are being given the resources and the operating principles that they need. We too need our whistle-blowers, like any other industry. We need the diggers. We need the watchdogs. We need the awkward squad.

We need also to pay close attention to the craft of journalism, which has not changed in essence but only in the means and speed of delivery. So as we embrace the new platforms and the new technology, let's remember we also need some timeless principles. And those are the principles on which I would base the Scottish Digital Network.

And so, unavoidably, we return to the question of funding: where does the money come from? For the reasons I have given, I believe the new network should be set up as a proper PSB – that is, under public ownership and operating on a not-for-profit basis. There should be the highest degree of transparency and accountability, under the governance of a board of trustees and firmly located within the Ofcom regulatory framework.

The SBC estimated the annual costs of the Scottish Network at £75 million. A separate and independent analysis for Ofcom by a well-known media consultancy estimated £77 million, so the figure is probably about right. It is a lot of money, but justified and proportionate when you place it in context. My preferred option was always to get the funding from the proceeds of the auction of cleared broadcasting spectrum once digital switchover is completed in 2012. That auction is expected to raise billions of pounds for the Treasury and of course the bandwidth is a public asset belonging to all parts of the UK.

However, there is no point in denying the severe pressures on the public finances over the next five years at least, probably longer. If there is to be no additional funding for public service broadcasting, as seems likely, then we have to consider funding the new Scottish Digital Network out of the television licence fee. The revenue from that source is now about £3.6 billion every year and rising. £75 million doesn't look like such a big number in that context – in fact, it's not much more than 2% of the total licence fee income. In those circumstances, it is just not credible and not acceptable to say that the Scottish Digital Network is something we can't afford.

As we know, the previous UK government was keen to use part of the licence fee to fund the continuation of regional news on ITV. That now looks highly unlikely. Perhaps the really important point is that for the first time we had a UK government saying very directly and explicitly that the BBC has no exclusive rights to the licence fee and that it can be used for other public service purposes. That is already the position in Ireland, where 7% of the licence fee money does not go to RTE, but goes towards PSB content on other broadcasters. And in places like Germany the licence fee has always been shared.

The BBC has already started the campaign for its next licence fee settlement. The strategy review announced by the BBC Trust is due to conclude in the autumn of this year. At that point we will have some idea of the shape and size proposed for a newly refocused and reprioritized BBC and of whether or not the Trust goes along with the recommendations made earlier this year by Mark Thompson and his executive team.

The Scottish Broadcasting Commission said in its final report that the BBC is the main pillar of public service broadcasting in the UK and that every other country would love to have it. Personally, I believe that very deeply, but there is a difference between being the main pillar and being the only pillar. In Scotland, at the moment we are facing a one pillar future. Let me switch the metaphor away from construction. Can we really afford to continue putting all of our PSB eggs in one basket? And it is after all a pretty lavishly funded basket.

The previous UK government started saying last year that the BBC probably had reached the limits of reasonable expansion. That now seems to be a universal opinion, shared even by the BBC itself. So in future there is bound to be a surplus in the licence fee revenue of money which is not required by the BBC. I don't believe we should just allow that money to disappear out of the industry and out of public service broadcasting with a reduced licence fee but with no competition for the BBC.

The Scottish Digital Network should be seen as part of the broader evolution of the UK towards a more dispersed and less centralised model – less centralised constitutionally and culturally and journalistically. It's the point at which broadcasting begins to catch up with devolution. And as we know, the devolution model is about to undergo some further change with more powers coming to Scotland. In that context, the new network would have both symbolic and historic significance, as well as the obvious attraction of giving us more choice and a better service.

I think the new UK government and the Scottish government should collaborate to invest in the Scottish Digital Network. They should jointly review the funding options in detail and without any pre-conditions, looking at the ideas which have been adopted in other countries and trying to reach agreement. At this point, both governments are making complex decisions about public investment. We live in difficult times where imaginative thinking is required and old certainties need to be re-examined in all areas of policy. So we should see some of that new politics being applied to Scottish broadcasting. There is real common ground here on which all of the political parties can make progress.

There is probably no perfect broadcasting solution in Scotland or indeed anywhere else, but there is the chance to have decent and dedicated media. I believe we have to take a long-term strategic view of the public interest, and not just abandon key parts of our democratic aspirations and journalistic ambitions.

We don't really know what the media landscape will be like in 2 years, let alone in 10. But for Scotland to have healthy media and a healthy democracy, the Scottish Digital Network has to be a major part of that future. It would represent an investment in the kind of people we wish to be and an opportunity to shape our journalism and our civic society for generations to come. Thank you.

Review:Mapping Futures. United Kingdom Architecture News - Nov 26, 2013 - 16:38 2420 views. Add to Flipboard Magazine. What might the future look like and what will the role of the designer be in this new context? 4 November, 5.30pm, Performing Arts Lab, RCA Kensington. On a dark evening in November three speakers gathered in the Performing Arts Lab in the Stevens Building to talk about the future.Â Christopher Sanderson, of consultancy firm The Future Laboratory, was the first to take the stage. He showed a video, XX v XY, produced by his firm. Short but inflammatory, the film was a confusing mash-up of brand-speak, montaged sports advertisements, and sloppy gender-thinking set to nineties trance. The Future Mapping Company design and print high quality wall maps for your home and office. They are available as a print, magnetised, framed or as wallpaper murals.Â Huge Future Map | From Â£69. Shop Now. Street Style. London Wall Map | From Â£40. SHOP NOW. Introducing: The Sinu-Mollweide Projection. Claggett and his colleagues worked with existing maps, based on aerial photographs, that categorize the regionâ€™s land cover into broad categories, but donâ€™t distinguish between a roof, a parking lot and a road. The team also uses annual information produced by USGSâ€™ Land Change Monitoring, Assessment and Projection initiative, based on imagery from the Landsat Program of earth-observing satellites co-managed by the USGS and NOAA.Â This is one of the most detailed records of land use changes anywhere in the U.S., Claggett said. â€œWeâ€™re seeing things that havenâ€™t been seen before,â€ Claggett said. â€œNow, for the first time we have a full accounting of all development. We know where and when changes have happened.â€