



STV Review 2011

Overall Strategy / Major Themes for the Year

2011 has been an exciting and busy year for STV. With the delivery of a high quality and vibrant schedule for viewers in Scotland and a clear commitment to public service broadcasting; the launch of a brand new charity; the continued roll-out of our STV Local initiative; launches of STV News and STV Player on multiple platforms; and a vast array of activities connecting STV with communities all over Scotland; STV is firmly at the heart of the creative industries in Scotland.

STV is committed to providing an ambitious, distinct, relevant and up-to-the-minute local service for viewers across the country, using top-of-the-range broadcasting technology. For STV, this is about delivering a valued and first rate news service across multi-platforms that people know and trust, developing increased editorial content and being innovative in the way that we deliver public service broadcasting in a digital age.

We have transformed STV from a traditional broadcaster to a digital media company that engages with consumers across multiple platforms offering unique delivery of Public Service Broadcasting and a compelling range of must-have digital services. We aim to connect with our viewers as active consumers of content across platforms.

The creation of innovative, high quality and relevant content remains key to our business. We continue to work with partners to deliver unique, compelling content that can be accessed anywhere, anytime.

Through 2011, STV has continued to extend its reach across Scotland. We delivered a schedule comprising the best Channel 3 Network material and strong home grown productions, alongside our dedicated and popular news service. It is crucial to STV that we deliver a schedule that is distinct and relevant to Scotland, reflecting the cultural, sporting, political and wider differences that make Scotland unique.

The extent of our unrivalled reach across all platforms continues to grow successfully. Our average peak time audience share tracked slightly ahead of the ITV Network in 2011¹, demonstrating the success of our programming strategy and solidifying our position as Scotland's most popular peak-time TV station, reaching over 4.2m viewers per month. Our website, stv.tv, attracts over 2.5 million unique browsers each month on average (Q4, 2011) and has consolidated its place as Scotland's most popular commercial media website.

In 2011, we delivered the most comprehensive local news service in the UK, via three distinct evening programmes and an opt for Tayside; extensive online news coverage at stv.tv; STV

¹ According to BARB figures relating to Standard Definition ratings

News apps via iPhone and Android; an additional news and wide-ranging current affairs programme four nights per week; and the continued roll-out of a network of hyper-local sites via the STV Local service. STV Local is a key digital initiative for us and allows us to engage with communities across the country at a very local level.

2011 saw STV joining forces with The Hunter Foundation to launch a brand new charity, STV Appeal. Through a dedicated campaign, engaging with corporate Scotland, the Scottish Government and STV viewers, £1.2m was raised for children affected by poverty in Scotland.

We continue to play a key role in providing significant investment in Scotland's creative industry and are committed to delivering high quality local programming across genres, providing considerable employment opportunities across the country.

Significant Changes

Given the significant stage reached with the Gaelic Channel, BBC Alba, through its establishment, not just on satellite but also on the Freeview platform, public policy changed around Gaelic programme production and delivery by public service broadcasters. June 2011 saw the repeal of legislation requiring STV to (i) make and transmit its own Gaelic programming and (ii) transmit any funded Gaelic delivered by third party suppliers. Consequently, STV is no longer required to broadcast 30 minutes of Gaelic programming in peak per year or to produce its own Gaelic material.

Innovation, Experiment and Creativity

STV operates at the creative hub of Scotland and we aim to experiment and innovate where ever possible. We have embraced working in partnership to support innovation and foster creativity across all areas of activity, including investing in a partnership with Creative Scotland to develop and promote Scottish talent

We continue the roll-out of our strategic digital initiative, **STV Local**, our network of hyper-local websites, online and on mobile. STV Local allows us to engage with our viewers at a very local level and currently covers 33% of the Scottish population by local authority area. Covering every aspect of life and community, STV Local offers an array of information specific for local communities, including local news and sport, events, ratings and reviews, weather updates, traffic information and a business directory. We encourage members of the local community to engage with our teams, who are out in the field on a daily basis.

With sites from Motherwell to Peterhead, Edinburgh to Glasgow, there are now over 20 sites covered across 7 local authorities. The launch of STV Local has created a significant number of employment opportunities across Scotland, with the current editorial team standing at 25.

At the start of the year, we announced the arrival of our **STV+1** service, allowing viewers to catch up on a range of programmes from STV one hour later via two regional variations - one for the north and one for central Scotland.

In terms of programming, we would point to **Scotland's Greatest Album** as an innovative and collaborative project. Working with two other media organisations, Real Radio and the Scottish Sun, we joined forces to allow viewers to vote for their top tracks by Scottish artists from the last four decades. The series truly engaged the public, encouraging 125,000 votes for the duration of the series and significant interaction via social media.

In May 2011, STV worked with pupils from high schools in Ullapool, Gairloch, Plockton and Portree as part of the **NESTA's idiscover educational programme**. The programme aims to help today's young people develop the skills and talents needed to face the uncertain and challenging world of tomorrow and explore ways to increase the innovative capacity of young people. Four members of the STV north news team delivered an STV session, putting the pupils in charge of news, helping to drive understanding and taking STV out into the community.

STV teamed up with National Theatre of Scotland this year to be part of an innovative, one-off event. NTS celebrated its fifth birthday by commissioning **Five Minute Theatre**, 24 hours of five minute performances from all over Scotland and the world, and we streamed them live on stv.tv.

In 2011 STV, in partnership with The Hunter Foundation, launched the **STV Appeal 2011** – a major new charitable venture for Scotland. With support from some of Scotland's leading Scottish businesses and a commitment to match-funding from the Scottish Government, the charity in its inaugural year raised over £1.2m for children affected by poverty in Scotland. With a range of bespoke programming and activities, we successfully connected with communities across Scotland to raise funds for an excellent cause and have high hopes for the 2012 Appeal.

In 2011, along with Channel 4 and BBC Scotland, we entered into partnership with **Creative Scotland**, agreeing a programme of work which focuses on increasing investment in and promoting Scottish talent, and bringing home-grown culture into every home in Scotland. This presents a fantastic opportunity for us to invest more in writing talent and development in Scotland, focusing around drama, entertainment and factual programming.

Our **STV Anywhere** initiative promotes innovation in new media technologies and provides opportunities to form new connections with our audience. In 2011, we launched the STV Player on Android tablet and smartphones, and the STV News app on iPhone and Android. In addition, STV's social media presence is comprehensive and far-reaching. We are actively pursuing further opportunities in the new media area to make STV content available anytime, anywhere.

In 2012 **YouView** will launch, providing further convergence for broadcast and broadband services. STV is actively participating in YouView's testing phase and we fully expect to make the popular STV Player available to audiences within our licence areas via YouView, free of charge.

Tier 2 Arrangements

For 2011, STV Central and STV North broadcast a joint total of 723 hours of regional programming including news and non-news against a licence minimum of 494² hours (including original news in each region, plus a uniform schedule for non-news), therefore significantly outperforming our obligations. This incorporated a range of original production both in and out of peak time. In addition, STV also broadcast 1378 hours of innovative night time programme, *Night Shift*.

STV has met the independent quota requirements for 2011.

In 2011, we exceeded our quota for 90% of subtitled programming. We have met our requirements with regards audio described and visually signed services.

Programme Offer News

As a Public Service Broadcaster, news content is at the heart of STV provision, both on air and online. 2011 has been a year of strong news stories and increasing share for STV News, as we have expanded and improved our service, delivering the most local service in the UK.

We recognise the demand for comprehensive and engaging local services, which are commercially sustainable, and are committed to delivering this across platforms via an ambitious and comprehensive service.

² STV Channel 3 licence obligations: News: 208 hours per licence = 416 hours in total. Plus 78 hours of non news = a total of 494 hours.

In May 2011, we announced the trial of a new technology platform allowing us to launch a brand new service dedicated to Edinburgh and the East of Scotland and extending our total on-air news offering to three distinct 30-minute programmes at 6pm, with a bulletin for the Dundee and Tayside area. The pilot was a great success and in October 2011 we confirmed that we would continue with the service on a permanent basis. STV news operations around the country retain full editorial control over the output in their respective regions.

STV's audience share at 6pm has gone from strength to strength, increasing 7% year on year (Jun-December) across Scotland, with around half a million viewers watching each weeknight, and the on-air service reaching over 1.7m viewers per week³. News is one of the most popular areas of our website, with over half a million unique users visiting stv.tv/news each month.

The success and popularity of the pilot programme for the East has reinforced the fact that there is such a strong appetite for local news in Scotland and by providing tailored services, across platforms, this has allowed us to strengthen the relationship with our viewers even further.

Following the success of the STV News iPhone app, STV launched its first Android app in August 2011, providing news, sport, entertainment and weather. By end 2011, the STV News app had been downloaded over 120,000 times. This was closely followed by the launch of the STV player on Android tablets and phones, making this popular service now available via computer, Smart phones and PS3.

A significant event for STV News teams was the 2011 Holyrood election campaign, of which we provided extensive and comprehensive coverage. We commissioned two opinion polls via STV's ScotPulse - 1000 Election Tracker - which allowed the views of the public to feature in STV online election coverage. In addition, we commissioned independent research firm TNS to carry out two voting intention polls, the second of which correctly predicted the momentum for the SNP. Our broadcast coverage also included two live leaders debates, a one-hour news special the day after the vote and a seven hour overnight live results programme, our largest Outside Broadcast to date. Survey findings and leaders debates were widely picked up by the Scottish media, with STV driving the news agenda, leading the headlines.

On 8 December, STV reported its strongest online performance and exceptional audience share for news programming as a result of the extreme weather in Scotland, demonstrating our reach and connection with its audience.

News coverage of the storm saw STV breaking all previous record highs with users flocking to the site and evening news programme to view footage and updates on the disruption caused by the weather.

STV's news programme *STV News at Six* achieved a record audience, which was almost double the Network share. The programme achieved an extraordinary average audience of almost 800k viewers (37% audience share).

Over 184,000 viewers tuned into current affairs programme, *Scotland Tonight*, which focused on the weather as its top story and discussion point.

STV online saw its best ever single day of traffic. Total unique browsers hit 556k, over twice STV's previous record of 263k during the 2010 Big Freeze. By way of comparison, the average number of daily unique browsers for November was 151k. The website saw almost 2 million page impressions, again double its previous best of 856k in December 2010. The average number of daily page impressions on the STV website in November was 574k. Total videos views reached a new one day high of 405k.

We continue to provide a contracted newsgathering/Scotland correspondent service for ITN.

³ Source: BARB

Current Affairs

For the first half of 2011, our weekly programme *Politics Now* provided high quality coverage of a wide range of issues on Thursday evenings. Hosted by Bernard Ponsonby, the show's rigorous questioning of senior politicians was complemented by insightful and engaging studio discussions.

In October 2011, STV launched *Scotland Tonight*, a news and current affairs programme bringing viewers across Scotland an in-depth look at the big news stories of the day along with politics, sports, business, arts, entertainment, live studio guests and special features. *Scotland Tonight* is a fresh and exciting approach to news and current affairs, providing a Scottish perspective on the issues that are important to people in Scotland.

Hosted by John MacKay (STV News at Six anchor) and Rona Dougall (ex-Sky News Scotland correspondent), *Scotland Tonight* airs live every night from Monday to Thursday at 10.30pm and has featured interviews with a range of guests from the First Minister to Donald Trump.

The programme considers the issues that are important to people in Scotland and as such, viewers are encouraged to interact with the show each evening. A dedicated website, www.stv.tv/scotlandtonight, provides the agendas and discussion points for the show, alongside a dedicated Facebook and Twitter page allowing viewers to interact with the show live and immediately.

The new programme allows us to build on the success of our already ambitious news offering via STV News, stv.tv, STV Local, STV News apps and our popular election coverage, further demonstrating our increasing commitment to news and current affairs.

Other

2011 saw STV produce and broadcast a range of genres including both hard-hitting and historical documentaries; a sports news series; an interactive music production; a second series and special edition of the success *Football Years*; dedicated STV Appeal programming; and a live chat show.

In addition to featuring in our linear broadcast schedule on STV, all of these programmes are available on our TV-on-demand service, STV Player, which allows viewers to catch up on their favourite STV programmes and watch highlights from our vast archives. The Player continues to build traffic, delivering an average of one million video views per month on average in the final quarter of 2011, ensuring PSB content is available via alternative platforms.

In 2011, we continued our '*In Search Of...*' series, presented by renowned actor David Hayman, this time delivering a chilling and in-depth documentary about notorious serial killer Bible John. *In Search of Bible John* revealed a unique new development in the recent theory linking Bible John to notorious Scottish killer Peter Tobin by using age regression techniques; and used dramatic reconstructions and interviews with experts to offer a fascinating new angle to speculations about Tobin's link to Glasgow's dark criminal history. The one-off 60 minute programme delivered a very strong 19% average audience share, outperforming the network by 8 share points and winning its slot.

Born Fighting was a two-part series following American Senator Jim Webb charting the incredible story of the Scots-Irish and how this ethnic group helped build one of the most powerful nations in the world. This unique collaboration between STV, UTV and Smithsonian Channel is a clear example of STV's commitment to providing high quality and relevant public service broadcasting to its audience.

We delivered a second series of our successful *Football Years* series, which achieved an average 14% share, with 10,000 views via catch-up on the STV Player. In addition, we produced a two-part *Football Years: Walter Smith Special*, which delivered an impressive 20% audience share. Additional related content, including STV Player, online and mobile material, increase the total audience for the programme by 15%.

Scotland's Greatest Album invited viewers to vote for their top songs by Scottish artists from the 70s to the noughties. The series truly engaged the Scottish public, with 125,000 votes being cast; and a Hogmanay Special also being produced. Scotland's Greatest Album sparked debate and saw a significant amount of interaction via social media on Facebook and Twitter.

STV Sports Centre ran for the first half of 2011 (following on from the 2010 season) and provided sports fans with the latest Scottish sports news, discussion and analysis in a 30 minute live show, plus four minute bulletins during the week, providing an excellent sporting aspect to our schedule.

The Hour was STV's daytime show and was the only live daily magazine programme to air outside of London. The show presented a range of opportunities for exciting and high profile guests, from pop band The Wanted and Alesha Dixon to Michael Ball and Julian Lennon, and prompted regular interaction from viewers.

We developed a raft of programming to support our STV Appeal charity initiative, to help raise the profile of the issue of children and young people affected by poverty in Scotland. This original programming included a *Big Launch* with Lorraine Kelly; a *7.30 for 8 Celebrity Special*; hard hitting documentary *One in Four*; and two live shows on the evening of the grand finale, where the final total was announced. The programming featured a range of Scottish celebrities committed to the STV Appeal; it engaged with local people who fundraised on its behalf; and told some of the difficult stories of those affected by poverty.

We acquired gritty and compelling Dublin-based drama *Love Hate*, giving the series its UK premier on STV. This four part acquisition played well as part of our schedule, attracting an average 14% audience share with over 20,000 views via the STV Player.

Additional Matters

a) Cultural and Other Diversity

We currently employ 390 staff in locations across Scotland and in London. During 2011 we have engaged approximately 600 freelancers to support the activities of STV Productions; our developing digital platforms and our news teams.

STV has staff of differing ethnic origins, ages and abilities both on and off screen. We are committed to enhancing the skills base of our organisation and training is made available to staff members where appropriate.

STV has been awarded the *Disability Two Ticks* symbol on six occasions since 2005 and most recently it was re-awarded to us in September 2011. This symbol recognises our commitment to the employment, retention, training and career development of disabled employees.

STV continues to broadcast a unified schedule for non-news programming, offering our viewers across the country access to a range of programmes reflecting different aspects and cultures of Scotland.

STV's sales team offers innovative packages for clients including sponsored programmes, generating commercial opportunities for the business whilst offering exposure to lesser known minority groups or topics on a national television platform. In 2011 two key campaigns were

with Quarriers, a Scottish charity dedicated to helping children, families and adults overcome adversity; and the Scottish Sun sponsored series on Remembrance Day.

STV is committed to support the Scottish Government's *Get Ready for Work* programme and during 2011 provided 3 training placements for young people not in education, employment or training, to provide them with experience of a working environment and an insight into possible career areas. These were based within our HR and STV Local teams.

b) Promotion of Media Literacy

STV has a robust **compliance process** and dedicated announcers ensuring that all of our programming is clearly signposted and that the content is clear, enabling our viewers to make informed decisions about what programmes they choose to watch. Scheduling decisions are discussed at the forum of STV's Commissioning Group, chaired by the Channel Controller.

By migrating our content onto new and **emerging platforms**, STV encourages its viewers to engage with us in different ways. HD, mobile, STV News apps on iPhone and Android, STV Local, Social Media. These services and platforms benefit from high profile promotion and viewer take-up has been extremely high and continues to grow.

Digital Switchover is now complete in Scotland and we are confident that via our on-screen promotions and continued engagement with Digital UK, we provided profile and helped drive understanding and facilitation of DSO across Scotland.

YouView, due to launch in 2012, will provide further convergence for broadcast and broadband services and STV is participating in YouView's testing phase as part of the Industry Advisory Sub-group. STV fully expects to make the popular STV Player available to audiences within their licence areas via YouView when the service launches and will provide free access to our broad range of content.

Corporate Social Responsibility is very important to STV with staff across Scotland engaging regularly with members of the local community and further afield to increase understanding about the company and the industry. We have a team who facilitate studio tours to schools, community groups and businesses.

STV has developed strong **links with educational institutions** over our 50 years in existence, shedding light into what many regard to be a hugely competitive and exciting industry to work in.

We have offered 75 work placements in 2011. We currently have a student on a one year paid work placement within our IT department from Robert Gordon University. Additionally, in April a student from RGU's Journalism course joined our news team for four weeks work experience.

Our links with Edinburgh's Napier University continue and for their 2010/2011 TV Production course, we ran a mentoring scheme, providing students with one-on-one advice and guidance from an STV staff member. Two students also joined *The Hour* production team for six week internships. This autumn, we invited 30 students from Napier University and City of Glasgow College to hear from a range of guest speakers on the industry and provided a tour of our studios.

We are currently working with the BBC on an apprenticeship scheme, offering four-week paid placements. Two of these have completed in 2011.

We host the prize-giving for MATV Fiction Writing Course at Glasgow's Caledonian University and have committed to providing guest speakers from our Content team.

We welcome regular visits from school parties from throughout the STV North transmission area. Senior technical and editorial staff also give lectures and talks to outside organisations

on a regular basis. Work experience placements are also regularly available at STV's studios in Inverness and Dundee.

In addition to this, STV has strong links within the communities across Scotland and, as part of our CSR programme, we regularly welcome pupils and students into our studios for informative tours. Our weather presenter, Sean Batty, provides educational presentations for school pupils on weather, meteorology and weather presenting. The feedback on these experiences is very positive and the continued high level of interest from schools suggests this is a successful and fun method of learning.

In 2011, we launched STV Learning, a staff learning and development programme which supports staff in their continued professional development, and as part of an extended offering of training opportunities. This service includes informative sessions in areas such as media law and rights.

Public Input

Our audience is of paramount importance to us and we continue to engage with them and welcome their feedback on our content. We offer a clear, immediate and direct route for viewers to feedback to us via our Your View service, which allows viewers to get in touch via phone, email and online. We also broadcast on-air announcements directing viewers to the Your View webpage on www.stv.tv in order that they can provide feedback easily and readily.

STV's website allows viewers to offer their opinions via the comment sections online, providing us with immediate feedback.

In February 2011 STV launched ScotPulse, an online market research panel designed to provide direct access to valuable consumer insights. Over 5,500 panel members have been recruited, delivering an average 60 per cent response rate to surveys. This is supported by a dedicated website – www.scotpulse.com – that encourages community and helps to deliver higher engagement levels.

STV has built a strong connection with audiences over the last 5 decades. ScotPulse allows a further enhancement of this relationship by providing consumers with the opportunity to have their voice directly heard on issues that matter. Surveys to date include the ScotPulse 1000 Election Tracker - which allowed the views of consumers to feature in STV election coverage – and research into programming formats which directly influenced the design of *Scotland Tonight*, our new flagship current affairs programme.

ScotPulse is also available to advertising clients in support of online and onair campaigns, as well as providing an effective method of surveying their own customer database. In 2011 ScotPulse worked with numerous clients including The National Trust for Scotland, ScotRail, Glasgow City Marketing Bureau and the NHS Greater Glasgow and Clyde.

We have also undertaken a strong programme of engagement with elected representatives at Holyrood and Westminster, providing an important opportunity for feedback and dialogue with MSPs and MPs.

In support of its public service broadcasting status, STV plays a prominent role engaging at all levels with a variety of stakeholders. We support organisations such as BAFTA Scotland, RTS, CBI, SCDI and Scottish Chambers of Commerce.

STV has a very strong social media presence and engages with the public via sites such as Twitter and Facebook on a daily basis and across a range of topics. We see a high level of interaction, particularly via our presenter and programming-focused accounts and regard this as a valuable source of public input.

Conclusion

We are committed to public service broadcasting and the production of creative content across all platforms, alongside our ambitious digital strategy enabling us to connect with consumers in new ways.

News remains at the heart of our schedule and we are proud to present viewers in Scotland with the most local news service in the UK, alongside a fresh new current affairs programme four nights per week. In other programming, we strive to innovate and work with partners to deliver a high quality and varied, relevant product to our viewers.

This is an exciting time for STV, with a number of strategic initiatives underway and a true connection with our audience, we are confident in our position as Scotland's leading digital media company.