



Review 2008

Overall Strategy and Themes for the Year

The changing media landscape and the continuation of stv's critical role as a distinctly Scottish public service broadcaster in a digital age has been a key theme for us this year, and one that will continue to shape our business and programme offering going forward.

92% of Scots watch our station every month and we have the brand, legacy, ambition and visibility to continue to provide a strong Channel 3 service well into the digital future. We have unique universal coverage across our licence areas, with the ability to broadcast separately to micro-regions for both programming and advertising at a local level.

Four out of five people (81%) see stv as an essential source of information and entertainment (George St Research, May 2008) which we believe is testament to the quality of wide ranging, informative, relevant and entertaining programming we provide. Our primary target demographic is all adults across Scotland and we continue to be the most popular peak time station in Scotland.

stv is wholly committed to providing Public Service Broadcasting (PSB), serving Scotland as part of a strong Channel 3 network, and we have been engaging with Ofcom throughout its Review of PSB. Ofcom recognises the important role stv plays in the delivery of PSB and the fact that the current model is economically unsustainable for commercial broadcasters. stv is in favour of the evolutionary model for the future: the current model is not broken, it simply needs modernising for the future.

Via our public service broadcasting commitments we have provided a diverse, high quality service across news, current affairs and non-news programming, with highlights including regular home-grown drama, popular UEFA Cup and Champions League coverage and an exploration of the history of the highlands.

We have strengthened our news output, which consistently outperforms the BBC 6 o'clock news and offers strong competition to BBC Scotland. Ofcom research confirms that there is a huge appetite for Scottish news and that it is highly valued by viewers. We invested in our regional news this year and showed real commitment to providing high quality local, regional and national news both on air and online, providing much needed plurality of news services.

Throughout 2008, we have continued taking greater control of our schedule, opting out of the ITV Network where we felt it would be beneficial to both us and our viewers. Examples of this include our weekday magazine *the five thirty show*, two-part drama *Missing*, sea-faring series, *The Merchant Navy* and quiz show, *Postcode Challenge*.

stv's digital strategy has accelerated in 2008 and we significantly enhanced our programme offering to viewers by launching a world class video site, stv.tv/video, where viewers can catch up on current series and view programmes from our extensive archive. The site, which launched in August 2008, has already proved to be popular with viewers with overall visitor traffic increasing dramatically.

stv's parent company changed its name from SMG to 'stv group plc' and has a distinct focus on the television business with a clear commitment to creating compelling content for viewers and building the stv brand in Scotland. Throughout 2008, we have been working hard to make stv Scotland's most influential, relevant, innovative and trusted media brand. We have the legacy, strong brand and market positioning to be well placed to continue to deliver solid, creative and accessible public service broadcasting in future and this has been, and will continue to be, at the heart of our strategy.

Significant Changes

There have been no significant changes to stv's output in 2008.

Innovation, Experiment and Creativity

We have been experimenting with our schedule, opting out of the Network to show strong relevant programming for viewers in Scotland. We introduced a brand new magazine-style weekday show – *the five thirty show* – in January and slotted in our quiz show, *Postcode Challenge* on Monday's at 8pm. We also established the 2230 slot on a Thursday as a drama slot during the summer, airing series one and two of *High Times* and the new series of *Cracked* in this slot for 18 consecutive weeks, and this approach proved successful.

In 2008 we aired three feature films produced as part of our joint initiative with Scottish Screen, New Found Films. The initiative was developed to encourage new talent to the industry, to create innovative quality feature films using digital technology and the results are outstanding. We aired three of these films - *Blinded*, *Night People* and *GamerZ* – in 2230 slots consecutively for three weeks.

We have been experimenting with and developing our online offering, which is uniquely targeted at Scotland. Our new video site offers creative access to both new and archived material and allows the viewer to interact with our output on a whole new level. The aim is to be as creative and innovative as possible with stv.tv and we are contributing vastly to a digital Scotland by moving PSB into the online sphere at a very high quality.

stv's *five thirty show* presenter, Stephen Jardine, launched his *Eating for Scotland* campaign on Burns Day, with a promise to eat only Scottish produce until St Andrews Day. What started out as a feature on the show, grew into an initiative which was supported by the Scottish Government and has seen businesses across Scotland engage with stv to devise their own *Eating for Scotland* projects, with the help of stv's communications plan as a prototype.

Tier 2 Arrangements

For 2008, stv central and stv north broadcast a joint total of 857 hours of regional news and non-news programming against a target of 782 hours, therefore outperforming our obligations. This incorporated a range of original production both in and out of peak time.

This over-delivery of regional programming hours includes 596 hours of news and 261 hours of non-news across both licensees. This also includes 29 hours of current affairs and 52 hours of Gaelic programming.

Whilst the regulatory regime permits the national licensees to meet the independent quota requirements within the overall network schedule, our regional commissioning of independents has accounted for 35% of our regional output. Independent productions in 2008 included a four part series of *Amazon Heartbeat*, produced by Glasgow Films and following the work of charity The Vine Trust in the Amazon; and three feature films entitled *Blinded* by Oscar Films, *GamerZ* by Pure Magic Films and *Night People* by Mead Kerr. A

wide range of Gaelic programming also qualified under independent production, including *Slainte*, *Turas Eile* and *Comhla Rinn*.

100% of our regional output was subtitled.

Original programmes for 2008 featured in a range of genres throughout the year. In fact, we aired a historical documentary series on the Highlands; new drama in the form of *High Times*, *Missing* and *Cracked*; arts programming via the Fireworks Festival and *the five thirty show*; documentary and live event programming at Hogmanay; and sports coverage via our UEFA Cup, Champions League and *Scotsport* output.

Programme Offer

stv is absolutely committed to public service broadcasting and we are confident that our output delivers this both in and out of peak.

a) News

For the past 50 years, stv's news has been at the heart of our service, providing plurality and comprehensive, valued news coverage. Against an ever more competitive, multi-channel digital backdrop, it is evident that a choice of Scottish news is still very much in demand, which is a remarkable achievement. We invest heavily in our news service and it is the most valued of our local programme genres across Scotland.

North Tonight (our regional news programme for the northern region of Scotland) and *Scotland Today* (the regional news programme covering the central region) have recorded strong audience growth in 2008, benefiting from an increased investment in sub-regional news, which is well-regarded by our local audiences. We remain committed to delivering high quality news to our viewers wherever they live in Scotland.

North Tonight and *Scotland Today* have delivered significantly higher audiences to our news programmes across 2008, building on the success of 2007 while at the same time delivering stronger, regionally distinct content. Over the past five years, our news programmes have seen a 13% increase in viewing share, which is testament to the investment we have made and the talent working across the teams.

stv news has newsgathering resources in Glasgow, Edinburgh, Dundee, Aberdeen, Inverness and London. Our contracted correspondents in Orkney, Shetland, Stornoway, Wick and Fort William enable us to offer comprehensive coverage of news as it happens across Scotland. Our two satellite newsgathering vehicles have been joined by a third lightweight unit, ideal for reaching remote locations for live broadcasting. The Dundee news bureau moved to new offices in the city's media area in the middle of 2008, providing enhanced production and broadcast facilities.

We have begun to introduce new technology to allow us to transfer video from portable laptop PCs via broadband connections back to base. This also allows us to send reports and broadcast live by satellite broadband from anywhere in the world.

We have four sub-regional bulletins within our two 6pm news programmes. These micro-regions (west central Scotland, east central Scotland, Tayside Angus and Fife, and north Scotland) have their own local newsgathering resources, supporting a dedicated 5-minute weekday news service supported by additional local content on our website stv.tv.

Our lunchtime bulletin reflects our first in-depth look at the main news of the day. We continued to broadcast programmes at 1800 and 2230 on weekdays in 2008, including lunchtime and early evening bulletins at weekends.

Our operations have delivered strongly on three distinct areas: production, newsgathering and resource management. The production teams have focussed on high-production values in our programmes. Our newsgathering teams look to deliver accessible and popular storytelling and original journalism. Our resource management teams strive to deliver strong value for money from our news resources.

Our news programmes have benefited from a focus on the harder end of the news agenda in Scotland, but balanced with stories reflecting the range of issues and talking points in the nation. As devolution has continued to mature, Scottish politics have continued to provide many of our news stories. Our political team at Holyrood and Westminster have brought comprehensive, authoritative and original journalism to our screens.

High profile stories covered in depth in 2008 include the Glasgow airport terror trial; the trial of Peter Tobin for the murder of teenager Vicky Hamilton; the Lockerbie Bomber appeal; the Glasgow East by-election; the UEFA Cup final in Manchester; and the Donald Trump row over the proposed Aberdeenshire golf course.

We have delivered comprehensive coverage from all parts of Scotland, not just in the major cities and population centres, but across the remote and island communities which are an important part of Scottish life. Sports, the arts and entertainment have all featured in our output in 2008.

Our journalism is confident and accessible, with our reporters and correspondents among the most recognised and respected within Scottish broadcast journalism.

On portrayal, our coverage reflects Scotland's rich diversity of people and cultures as well as news about, and of interest to, all of Scotland's varied communities.

The combined audience share for *North Tonight* and *Scotland Today* has increased year on year and stv news programmes at six o'clock regularly perform ahead of the BBC 6pm network news. The gap between stv news programmes and the BBC's *Reporting Scotland* has closed considerably, with *Scotland Today* and *North Tonight* often delivering the highest news programme share within Scotland. The average audience across both programmes is around 401,000 viewers, which is a 26% share. Our highest audience for 2008 was 565,000, 30% share.

Scotland Today and *North Tonight* participated once again in the People's Millions, a competition offering community groups across the UK a chance to win a £50,000 Big Lottery Award and offering these worthwhile groups on-air exposure. Both programmes ran features on competing projects, inviting viewers to vote via phone and text for the project they felt deserved to win.

b) Current Affairs

2008 was another year of note for politics in Scotland, with the ruling Scottish Nationalist Party administration in Holyrood going into its second year. With the SNP enacting new legislation but with some additional matters reserved to Westminster, we have been careful to present informative coverage providing a balanced view of both Governments.

Our weekly political show *Politics Now* reflected the big issues in Scottish politics. *Politics Now* has underperformed the network slot at 11pm and we are continuing to seek to bring new approaches to engaging audiences with Scottish politics.

We brought special peak time and overnight coverage of the crucial Glasgow East and Glenrothes by-elections to the screens in 2008, combining live studio analysis and debate with live coverage of the results as they were announced.

Our daily programme, *the five thirty show*, is topical and informative and often provides a forum for debate surrounding current affairs, albeit in a lighter style.

Our varied treatment of current affairs, from dedicated political programmes, by-election coverage to magazine style topicality, means that we are providing our viewers with a relevant, high quality public service.

b) Other Programmes

Content is at the heart of all of stv's plans for the future. Our non-news output for 2008 has been strong and varied and has frequently outperformed the network, highlighting the importance, popularity and value of regional programming.

From lively football and rugby coverage in *Scotsport* during the first part of the year; to factual entertainment programming in the heart of Perthshire in *Conquer the Castle*; a celebration of 25 years of *Taggart* in a one-off peak time special; and the bringing together of communities via our peak time quiz show, *Postcode Challenge* with Carol Smillie, stv has featured a wide ranging schedule of original programming for 2008.

We launched our new week-day magazine show, *the five thirty show*, in January 2008, opting out of the network schedule to bring viewers a lively, fresh and relevant programme to which they can relate. Covering a feast of topics, from current affairs to health issues and science, sports to entertainment and film, *the five thirty show* engages with cultures and communities across Scotland, raising discussion points and challenging viewpoints each afternoon. The show relocated from Glasgow to Edinburgh during the International Festival bringing viewers access to live performances and top guests across a range of arts. It frequently attracts high calibre guests, such as Hilary Clinton, Rihanna and Jim Carrey and is always at the heart of any top Scottish event. In 2008, we broadcast 125 hours of *the five thirty show* and focus group research on the series has gleaned positive results.

Our historical documentary series, *Highlands*, and informative ad-funded series, *The Merchant Navy* promote informal learning in peak. *Highlands*, presented by *Taggart* star John Michie, took a relaxed yet insightful look at the history of the Scottish Highlands; whilst *The Merchant Navy* provided exclusive access to arguably one of the most dangerous and essential careers on the planet. Their popularity, which was sustained throughout transmission, is testament to their accessibility and quality and many viewers contacted stv with praise for the productions. *Highlands* performed on average four share points ahead of the Network and *The Merchant Navy* was an average of 3.5 share points ahead of the Network.

A number of stv's programmes have brought audiences together for shared experiences in 2008, which we believe is strengthened and encouraged by stv's high brand awareness and legacy and is core to our role as a public service broadcaster. We covered the Bank of Scotland Fireworks Concert live online via our state-of-the-art video site, and provided highlights later that evening, making this event widely available via stv.

Our coverage of the UEFA Cup Final delivered outstanding ratings for us: 55% audience share in Scotland compared to 30% across the network. In 2008 we struck a deal with Setanta, to provide us with live coverage, commentary, presentation and highlights programmes for the Scottish teams in the Champions League. These programmes, which are broadcast in peak time viewing, consistently attract huge audiences and always outperform the network.

We film and broadcast the *Glenfiddich Spirit of Scotland Awards* and encourage Scots to celebrate St Andrews Day via a high quality, glamorous awards ceremony. When legendary Celtic Manager, Tommy Burns, died earlier this year it touched the hearts of many Scots across the country. stv produced a tribute documentary, incorporating archive footage and current interviews which was very popular, up eight share points on the network. This

demonstrates stv's ability, as a strong Scottish broadcaster, to effectively cover events of local importance and of interest to viewers in Scotland.

stv prides itself on bringing viewers high quality original production and supporting the creative production community in Scotland. To this end, we commissioned a second instalment of documentary series, *Amazon Heartbeat*. Four brand new episodes brought viewers an update on the work of charity The Vine Trust, as they sought to bring aid to the people of the Amazon. Our New Found Films – *Night People*, *Blinded* and *GamerZ* – which we aired in the 2230 Monday night slots, showcased the innovative work of three young production companies who have seen their films gain cinematic and DVD release.

stv created a drama slot at 2240 on Thursdays for 18 consecutive weeks, opting out of the network to show strong regional drama in the form of BAFTA winning *High Times* (repeat), brand new series 2 of *High Times* and first run series, *Cracked*, set in a residential rehab clinic. Both series were met with critical acclaim from the press and viewers and displayed a high level of talent both in front of and behind the camera. In addition to this, stv made the decision to opt out of the Network schedule for two Sunday peak time slots to air high quality Scottish-made drama, *Missing*, which performed excellently for us.

Following the conviction of Peter Tobin in December 2008, stv produced and broadcast *Tobin – A Case Solved*. This was an hour-long documentary presented by Alex Norton, which examined how Tobin was brought to justice 17 years after killing schoolgirl Vicky Hamilton. The programme has a very quick turnaround, was broadcast at 9pm on a Wednesday evening and delivered a 24% audience share (two points ahead of the Network).

Additional Matters

a) Cultural and Other Diversity

stv has members of staff of differing ethnic origins, ages and abilities both on and off screen. We were once again re-awarded the Disability 'Two Ticks' symbol by the Jobcentre Plus, which recognises our commitment to the employment, retention, training and career development of disabled employees.

stv transmits 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. Our range of Gaelic programming offers this minority group representation on our screens. Subject matters for our Gaelic series this year have included: chat show, *Comhla Rinn*; a series on traditional storytelling and folklore, *Fir Chlis*; and a documentary series on food and drink, *Air A Bhord*.

stv offers a range of one minute programmes within our schedule, offering sponsorship opportunities for various groups. Categories of programming in 2008 have encompassed business ideas for entrepreneurs, architecture and design, organ donation, big hearted Scots and the work they do in the community, and environmental matters. These one minute programmes offer commercial opportunities for the business whilst offering exposure to lesser known minority groups or topics on a national television platform.

We subtitled all of our regional programmes in 2008.

b) Promotion of Media Literacy

stv continues to engage with the Scottish Learning Partnership which facilitates the Media Literacy Forum. In 2008 we have met up with the group, offered to host a forum meeting and have expressed our interest at having community media groups visit our headquarters. We also attended the Media Literacy Conference in late 2008.

stv has a vigilant 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 they choose to watch.

stv is actively involved in promoting Digital Switchover, which is due to take place 2010/2011 in the north and central regions. stv is a trusted media brand within Scotland and viewers will look to the station for advice and information on when they are required to switchover, how they should do so and the rationale behind DSO. stv will implement a combination of on and off screen activity, maximising any marketing, PR and promotional opportunities, and working in conjunction with Digital UK to help raise awareness and understanding for all groups of stv viewers.

stv has a strong sense of Corporate Social Responsibility and both licensees engage regularly with members of the local community and further afield, offering studio tours to schools, community groups and businesses and educating them on our work. We once again took part in Doors Open Day and the Glasgow River Festival, offering tours to the general public. In 2008 we supported the Summer Academy at Strathclyde University by running a workshop for students. Similarly, stv north has supported student placements from the Robert Gordon University in 2008, as well as accommodating visits from college and university students across the region.

Members of stv engage with industry groups throughout the year including the following: PACT, CBI, RTS, BAFTA, SCDI, Press Fund Charity, and we are members of various Chambers of Commerce across the country. This ensures that we are engaging with public and professional bodies on all levels of our work.

Our new video site, which provides catch-up and archive services and a range of programme support materials, is growing in popularity. stv has detailed targets to meet in the area of online and is on track to meet 30,000 visitors per day. This is evidence of a real willingness on the part of our audience to take their viewing further online and engage with our brand via alternative delivery platforms. It is also testament to the fact that our video player is built on world class technology, is user friendly and offers quality, flexible, alternative means of viewing for stv viewers in a digital world.

Public Input

Our viewers are of paramount importance to us and we continue to engage with them and welcome their feedback on our output. 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, so that we can gain public input as quickly and as easily as possible.

More and more viewers are watching stv's content at stv.tv. The site allows viewers to offer their thoughts and opinions via the comment sections online, giving us immediate and valuable feedback on our programme service.

We have commissioned various research projects in 2008 to ensure we are in touch with our viewers and to gain valuable input into our programming choices for the future. Using ITV Vision Panel, focus groups across the country and studies via George Street Research, we've gained feedback on our programming, presenters, competitions, online and brand measures. We've also conducted a usability study for stv.tv and stv.tv/video. Research carried out as part of the PSB Review has also proved useful, especially in confirming the value of our Scottish news service.

In addition to formal research and Your View, we receive feedback on a first hand basis via the large number of the businesses and members of the public whom we welcome into our building on a regular basis.

