

# Operational Plan 2008-2009

**January 2008**

Redacted version

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The Operational Plan 2008-09 was approved by the Ofcom Content Board in February 2008.

## 1. Executive Summary

### Remit

The remit of Seirbheis nam Meadhanan Gàidhlig (Gaelic Media Service or GMS) is to make available to persons in Scotland a wide and diverse range of high quality programmes in Gaelic. In fulfilling this remit GMS has been an investor in Gaelic programmes, research and training. The 2003 Communications Act now allows for GMS to become a broadcaster, commissioner and producer of television and radio programmes.

### Aims for 2008/9

GMS aims to ensure that all the ingredients necessary for a successful Gaelic broadcast service are in place:

- a fit-for-purpose content creation sector
- industry training
- talent and idea development
- research and audience engagement
- the use of Gaelic as a working language
- sufficient funding and legislative provision for distribution.

In particular GMS seeks to retain the loyalty of the core Gaelic audience and attract significant numbers of new viewers to Gaelic programmes from the wider audience base.

### The Gaelic Digital Service (GDS)

The key challenge that GMS faces is to deliver its remit in the changed conditions caused by the growth of digital media. To meet this challenge the GMS has committed to launching a dedicated Gaelic language television service on all digital platforms as soon as possible. To secure the best possible service for the audience GMS has agreed to collaborate with the BBC to create a new service – the Gaelic Digital Service (GDS) – a new television channel with enhanced online provision, which will work closely with the BBC's existing radio service, Radio nan Gaidheal.

Collaborating with the BBC effectively creates critical mass for the GDS, by drawing additional funding, by combining skills and resources, and by bringing together under a single shared vision the discrete elements of the Gaelic broadcasting landscape.

The GDS will be structured in such a way as to ensure both parties retain their administrative and financial independence for stewardship and accountability.

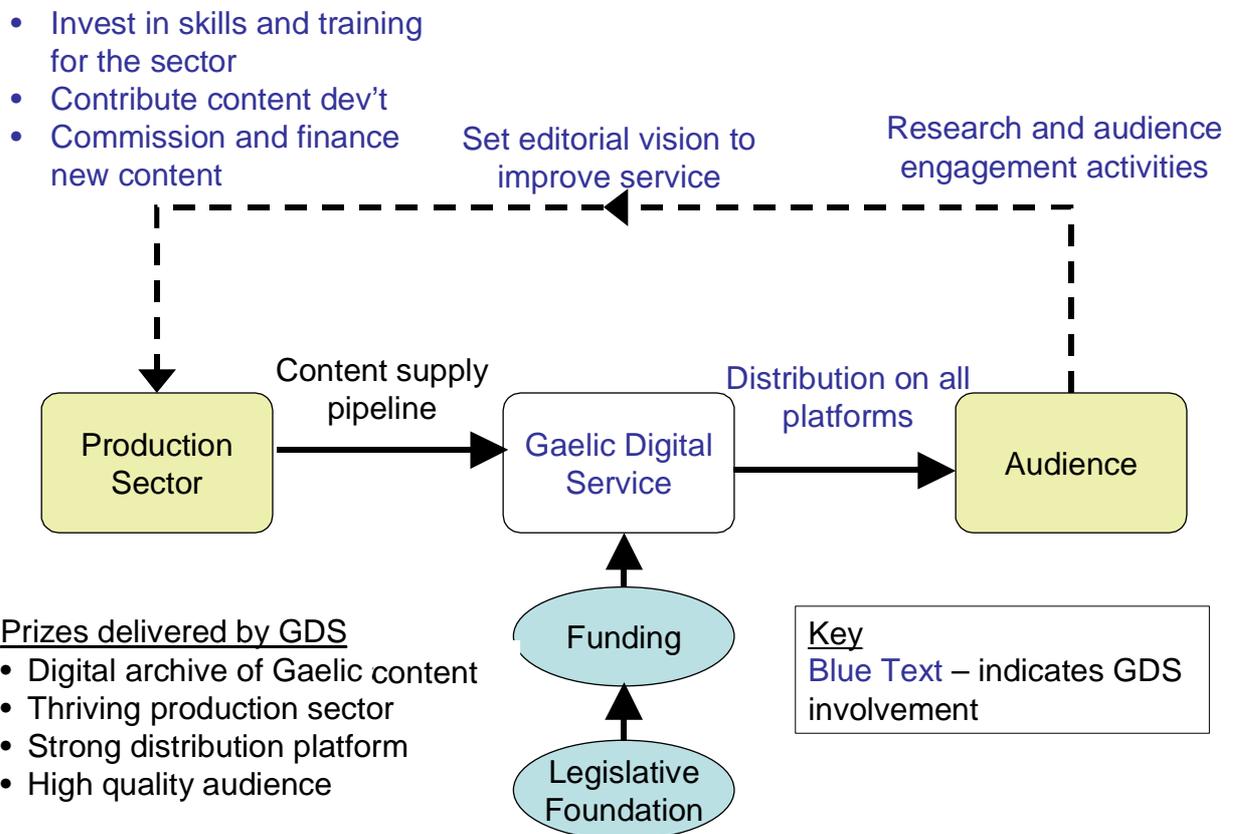
### GDS Strategy and Activities

- **Distribution.** The GDS will seek full television service distribution on all digital platforms: on Sky, Cable and Freesat in 2008 and on DTT as analogue switch off occurs

- **Content**
  - The GDS will be a “general entertainment channel” with a public service ethos and a significant learning agenda, seeking to appeal to the existing audience for Gaelic television and to attract new audiences
  - The GDS schedule will include at least 1.5 hours of original television programming per day, including 30 minutes of news from the BBC. It will support its schedule with programming stock, archive and newly commissioned content
- **Online services.** Online services will include supplemental information to support programming and learning and a watch-again service with GDS programmes on the GDS’s website, linking directly to the BBC’s iPlayer
- **Training.** The GDS will stimulate demand for training and facilitate the delivery of training solutions to the Gaelic production sector
- **Research.** The GDS will commission research into consumption trends in the Gaelic media market
- **Marketing.** The GDS will be able to leverage cross-promotion from the BBC and STV to launch and promote the GDS digital television channel

The diagram below illustrates how the range of GDS activities will contribute to a vital and successful Gaelic television and content industry.

### GDS Contribution to the Gaelic Television and Media Market



## **Finances**

- GMS will invest 87% of its £12.4m of available funds in TV programmes and other activities specifically focused on fulfilling its remit
- 91% of expenditure will be allocated to the GDS, with 9% being forecast on GMS corporate online presence, core governance and administrative overheads

## **Governance and Transformation**

GMS will aim to retain its core strengths as an organisation with robust financial and corporate disciplines as it moves to partnership in a broadcasting enterprise. GMS will work within best practice guidelines for broadcasting and for publicly funded organisations both in its approach to financial and risk management and in its compliance with legislative burdens. GMS has already strengthened the staff skill base to meet these needs and to consolidate its position as a creator of value in Gaelic broadcasting.

## **2. GMS Remit**

### **Original Remit**

The legislative obligations of GMS and its predecessors since 1990 have been to finance:

- high quality Gaelic programming of a wide and diverse range for broadcast in Scotland
- Gaelic radio programmes (since the 1996 Broadcasting Act)
- research into Gaelic media consumption
- training in the Gaelic media sector
- promotions to support its activities and programmes

### **Developments in the Media Market**

Since 1990 the programming produced by GMS and its predecessors has mainly been broadcast on BBC2 or STV/Grampian. However, the growth of digital television and online media and the resulting increased competition in the media market have led to a reduction in broadcasting opportunities for Gaelic programming on analogue television, due to:

- increased competition from digital services reducing audiences for analogue / public service broadcasters, which has diminished the impact of analogue broadcasting
- pressure on public service broadcasters to maintain audiences, which has led analogue broadcasters to marginalise Gaelic content

### **Impact on Remit**

These changes have led to the redefinition of GMS's role. The 2003 Communications Act made provision for GMS both to retain its original remit in programme financing, research, training and promotions and expand its functions to enable it to become a broadcaster, commissioner and a producer of television programmes.

Following this redefinition of its role, GMS is significantly expanding both the scope of its services and how it delivers its services. Principally this will be done by launching a digital television channel in collaboration with the BBC and significantly increasing the volume of its output, by approximately 50%.

### 3. GMS Goals and Strategy

#### a) GMS Aims for 2008/9

GMS's aims are naturally focused on fulfilling its remit, within available finances and within the market conditions to which it is subject. Its strategic goals are to:

- ensure that a wide and diverse range of high quality Gaelic language programmes are broadcast or otherwise transmitted so as to be available to persons in Scotland
- make requisite provision for training and development within the Gaelic independent production sector
- achieve a significant take-up in the use of Gaelic as the working language of the sector
- connect with the constituents of GMS through frequent dialogue in order to foster a sense of ownership among viewers and the people of Scotland
- transform the GMS organisation so as to meet the challenge of its expanded remit
- secure a sustainable legislative, funding and distribution base for GMS

#### b) Target Market

The market for Gaelic television in Scotland can be described as follows:

**Table 1: Target Audiences for Gaelic Television**

|                             | Primary Audience   | Secondary Audiences  |  |
|-----------------------------|--|--|--|
| <b>Audience community *</b> | <b>Gaelic speakers and communities</b><br>2% - 5% of population<br>100k to 250k people | <b>Viewers with some interest in Gaelic TV</b><br>Around 40% of population<br>2m people            | <b>Viewers with limited interest in Gaelic TV</b><br>Around 55% of population<br>2.5m to 3m people |
| <b>Objective for GMS</b>    | Retain core weekly audience (59%)** and increase consumption                           | Create content that attracts new viewers and over time increases the reach of the service to 5%*** |  |

Notes:

\* Source: Scottish Omnibus research carried out for GMS by Progressive Research in October 2007

\*\* Source: Report on the Gaelic Television Audience 1993-2006 carried out for GMS by Lèirsinn, December 2007

\*\*\* In line with BBC Trust objectives

GMS is focused on providing Gaelic programming, content and services for both the primary and the secondary audiences.

#### **4. GDS: Partnership with the BBC**

Following the redefinition of its role, GMS has significantly expanded its operations. To achieve this it has established a new vehicle to operationalise and deliver its strategy. This new vehicle is the Gaelic Digital Service (GDS), which will be a contractual collaboration between the BBC and GMS.

The GDS's principal activities will be:

- Launch and run a Gaelic digital television channel
- Offer multi-platform services: radio, online and other new media
- Commission and finance content
- Research, training and promotion

GMS believes a partnership with the BBC creates a highly effective combination that can fulfill GMS's strategic aims, as it brings together two strong, experienced organisations.

##### **a) Strengths of GMS**

GMS and its predecessors have a track record of achievement since its establishment in 1991-92:

- Between £6.7m and £8.7m invested each year in television programming (£7.4m average per year) to support BBC and Channel 3 output in Scotland
- 2,400 hours of Gaelic programmes produced
- Funding for a wide range of programme genre including a drama series (*Machair* - regularly achieved audience in excess of 500,000), a daily news programme (*Telefios* - news bulletin achieved audience of 300,000) and all other public service programming genre
- Feature films (*Seachd: the Inaccessible Pinnacle*, *Às an Eilean*, *Màiri Mhòr*)
- Award winning programmes – significant industry awards, including BAFTAs, Celtic Film and Television awards, International Film and Television awards; and current affairs programming that regularly achieves higher than average audience appreciation scores
- Significant increase in hours funded from 179 hours in 2006/7 to projected hourage of 212 in 2007/8
- GMS has funded skills training for Gaelic broadcasting since 1992, with approximately 300 people having attended training courses and placements
- GMS is the main commissioner of qualitative data on Gaelic programming, and has a unique database of audience data
- Strong financial record against both internal and external measurements of cost and budget management and project auditing
- GMS funds have enabled the creation of the Gaelic independent production sector – a key economic and creative benefit for Gaelic community – supporting an estimated 250 FTE jobs
- GMS is a respected member of the broadcasting community in the UK, with strong relationships with key stakeholders (DCMS, Ofcom, Scottish Government, BBC, PACT etc)

- Ownership of media facilities to provide for training and production activities with competitive pricing and flexibility, and which also serve to reduce programming costs

Furthermore, in 2007/8 GMS has taken a series of significant steps which leave it well positioned to launch the GDS in 2008/9:

- Extra £3m per annum of financing secured and a further recent commitment of £0.5m p.a. for 3 years, from Scottish Government bringing GMS' annual income to £12.4m
- Partnership with BBC agreed
- New hires to extend organisational capability: Head of Content, Marketing and Communications Executive, Training Manager, Head of Operations, Corporate Affairs Officer
- Investment in programming – investment in programming ahead of launch has created 291 hours of completed but as yet untransmitted television programming (£11.1m in value, projected balance sheet at 31/03/08)
- Acquisition of STV archive and the commencement of its digitisation
- Development of new working methodologies with the Gaelic production sector to meet the demands of the GDS to produce long-running series with brand strength in a cost-effective manner
- Development of digital media environments<sup>1</sup> in Skye and the Western Isles to support Gaelic production - £800k invested in training and development facilities and £1.25m invested in production, channel management and content management facilities

## b) The BBC Adds Significant Value and Leverage

Securing collaboration with the BBC is highly beneficial for the GDS, as the BBC adds value in numerous ways:

- **Distribution.** BBC collaboration will help to facilitate distribution on all digital platforms, including DTT as the analogue signal is switched off from 2008 to 2011
- **Multi-media services.** The BBC has a strong presence in online media and radio. In collaboration with the BBC, GMS will be able to leverage these assets for the benefit of the GDS
- **Rights and content.** The BBC can add additional value by contributing rights to English language programmes which can be versioned into Gaelic and rights to sports or other events
- **Gaelic experience and expertise.** Like GMS, the BBC has extensive experience serving the Gaelic media market, from which the GDS will benefit
- **News gathering and production.** The BBC is one of the world's largest news gathering organisations and will be able to run a high quality news service for the GDS, which will be an "appointment to view" every weekday
- **Technical resources and expertise.** The BBC's infrastructure and expertise in broadcasting will add significant value to the GDS
- **Cross-promotion resources.** The BBC can drive audiences to the GDS using its analogue and digital television channels and radio

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<sup>1</sup> Partly funded with financial assistance from other parties

The collaboration with the BBC to launch the GDS effectively creates critical mass for Gaelic broadcasting in the digital age, by drawing additional funding, by combining skills and resources, and by bringing together, under a single shared vision, the discrete elements of the Gaelic broadcast landscape.

**c) Collaboration is Shaped to Bring Together Strengths of Both Organisations**

A significant strength of the GDS is that the BBC and GMS share common values and objectives. Within this shared vision, both parties will operate with separate, allocated responsibilities.

Broadly speaking, the BBC will lead on news, broadcasting and technical issues to ensure a future-proofed cross-media offering, and GMS will lead on television content, research and training. The GDS will adopt BBC editorial standards.

**Table 2: Contributions to the GDS – Summary**

|                     | <b>GMS</b>   | <b>BBC</b>   |
|---------------------|--|--|
| <b>Financing</b>    | £11,335,000  | £7,800,000   |
| <b>Content</b>      | <p>£8.875m (net) TV content<br/>£0.25m online &amp; radio</p> <p>All GMS spend on content will be managed by GMS</p> <p>GMS and STV archive</p>                                      | <p>£2.1m (gross) TV content<br/>£2.0m News<br/>£3.4m radio</p> <p>BBC archive</p>  |
| <b>Broadcast</b>    | <p>Financial contribution to play-out facilities</p> <p>Investment in content management - to prepare content for broadcast</p>  | <p>Investment in playout, technical and broadcasting (EPG and access charges)</p> <p>BBC licensed status offers distribution on key platforms (Sky, Cable, Freesat, DTT)</p> |
| <b>Other assets</b> | <p>Media production, training and content management facilities</p> <p>Investment in training, research and development</p> <p>Promotional spend and promotional credit with STV</p> | <p>Inclusion of BBC brand</p> <p>Cross-promotion</p> <p>Leverage other BBC assets (sports rights, events)</p>  |

## 5. GDS: Strategy and Activities

### a) Distribution

The GDS aims to secure the widest possible distribution on digital and analogue platforms.

**Digital distribution:** The GDS aims to secure full television service distribution on all digital platforms, BSkyB, Cable, Freesat and DTT (as digital switchover occurs from 2008 to 2011). The GDS will also seek to harmonise GDS schedule and broadcast times with the service provided on DTT by the licence holders of Multiplex A<sup>2</sup>.

Table 3 below, illustrates the anticipated roll-out schedule for GDS.

**Table 3: Anticipated roll-out schedule – launch dates**

|                | 2008 |    |    |    | 2009 |    |    |    | 2010 |    |    |    | 2011 |    |    |    |
|----------------|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
|                | Q1   | Q2 | Q3 | Q4 |
| <b>BSkyB</b>   |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| <b>Cable</b>   |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| <b>Freesat</b> |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |
| <b>DTT</b>     |      |    |    |    |      |    |    |    |      |    |    |    |      |    |    |    |

Note: Anticipated DTT rollout based on Digital UK timetable for digital switchover

**Analogue distribution.** Until digital switchover in 2011 analogue television will continue to be an important consideration for GMS. GMS will endeavour to ensure that the analogue audience is catered for by supporting the maintenance of the current peak and off-peak schedules of BBC Scotland and STV (for as long as STV is required to carry Gaelic programmes).

Tables 4 and 5 illustrate the significant contribution that will be made to Gaelic television by the launch of a dedicated digital channel and the continuing contribution made by GMS to Gaelic television on analogue.

<sup>2</sup> The Broadcasting Act 1996 obliges the Multiplex A licence holder to show a minimum of 30 minutes of Gaelic programmes daily in peak viewing time. The service is known as TeleG and broadcasts on Freeview channel 8 in Scotland. Its content consists of previously broadcast programmes provided by GMS and the BBC.

**Table 4: Average Hours Per Week of Gaelic television broadcast**

| <b>ESTIMATED AUDIENCE PROVISION 2008 – 2012</b> |            |              |            |              |                          |
|---|------------|--------------|------------|--------------|--------------------------|
| <b>Average hours per week</b>                   |            |              |            |              |                          |
|   | <b>GDS</b> | <b>BBC 2</b> | <b>STV</b> | <b>TeleG</b> | <b>7-day watch again</b> |
| <b>2008</b>                                     | 49         | 4            | 2          | 7            | 2                        |
| <b>2009</b>                                     | 49         | 4            | 2          | 7            | 4                        |
| <b>2010</b>                                     | 70         | 4            | 2          | 7            | 5                        |
| <b>2011</b>                                     | 70         | 2.5          | 2          | 7            | 5                        |
| <b>2012</b>                                     | 126        | 2.5          | 2          | 7            | 5                        |

Notes:

- The estimated growth in the GDS's hours per week of Gaelic television represents the ambition of the partners to double original output by the end of digital switchover and to broadcast an all-day service
- The estimated audience provision in respect of STV and TeleG assumes for the sake of prudence that STV's Gaelic obligations remain beyond digital switchover, although this is subject to possible legislative or regulatory intervention

**Table 5: Estimated GMS Financial Contribution to Broadcast Hours (excl. news)**

| <b>ESTIMATED FINANCIAL CONTRIBUTION 2008 – 2012</b>       |            |              |            |              |                          |
|---|------------|--------------|------------|--------------|--------------------------|
| <b>Percentage of weekly broadcast hours funded by GMS</b> |            |              |            |              |                          |
|   | <b>GDS</b> | <b>BBC 2</b> | <b>STV</b> | <b>TeleG</b> | <b>7-day watch again</b> |
| <b>2007 (Actual)</b>                                      | -          | 32%          | 50%        | 97%          | -                        |
| <b>2008</b>   | 90%        | 32%          | 50%        | 97%          | 90%                      |
| <b>2009</b>   | 80%        | 32%          | 50%        | 97%          | 80%                      |
| <b>2010</b>   | 75%        | 32%          | 50%        | 97%          | 75%                      |
| <b>2011</b>   | 75%        | 32%          | 50%        | 97%          | 75%                      |
| <b>2012</b>   | 75%        | 32%          | 50%        | 97%          | 75%                      |

Notes:

- GMS contribution of broadcast hours will be proportionately higher in the first year of the GDS, due to availability of GMS programme stock from launch
- GMS funds over half of BBC 2's original Gaelic output
- The obligations of STV and TeleG are assumed to remain constant until statutory or legislative intervention takes place

## b) Content and Programming

### i. Strategy – Reach All Key Audiences

Although the BBC and GMS will manage their share of content budgets separately, all commissioning will follow a common vision, strategy and editorial understanding.

The GDS digital channel will be scheduled in the manner of a “general entertainment channel”, such as BBC 1 or BBC 2, but with additional emphasis on the educational and learning aspects of programmes, much of which will be supported by way of online “additionality”. The aim is to attract as large an audience as possible while targeting the required population groups and meeting the remit.

In broad terms the breakdown of expenditure by broadcaster, commissioner, genre and target audience is planned in advance. The priorities of the GDS are to ensure that the genre mix and editorial specification clearly target specific audiences and, overall, all key audience groups are serviced.

This approach is represented in Table 6 below.

**Table 6: Content Strategy / Audience Targeting**

| Target Audience             | BBC News | Current Affairs | Pre-school | Children & youth | Education | Factual, Arts, Ent | Comedy, Drama | Sport |
|-----------------------------|----------|-----------------|------------|------------------|-----------|--------------------|---------------|-------|
| Pre-school                  |          |                 |            |                  |           |                    |               |       |
| Age group 5 –11             |          |                 |            |                  |           |                    |               |       |
| Age group 12 – 16 Male      |          |                 |            |                  |           |                    |               |       |
| Age group 12 – 16 Female    |          |                 |            |                  |           |                    |               |       |
| Young Adults 17 – 29 Male   |          |                 |            |                  |           |                    |               |       |
| Young Adults 17 - 29 Female |          |                 |            |                  |           |                    |               |       |
| Learners                    |          |                 |            |                  |           |                    |               |       |
| Adult Gaelic speakers       |          |                 |            |                  |           |                    |               |       |
| Non speakers                |          |                 |            |                  |           |                    |               |       |

## ii. Schedule – Mix of Original Programmes, Stock and Repeats

The channel aims to broadcast, on average, a 7 hour schedule each day in its first years, although broadcast hours may be significantly higher. This equates to 2,555 hours a year, which the GDS will service with a mix of original programming, stock and repeats. Within this, the GDS aims to produce a schedule where approximately one fifth of programming is original content, approximately 547 hours per year.

### Original Programming:

- **BBC News.** The BBC will provide 0.5 hours per weekday of news programming<sup>3</sup>, equivalent to 130 hours per year
- **Stock and new productions.** The remaining requirement for original programming is approximately 417 hours (see Table 9). This will be met out of the existing stock of 291 hours of programming and new original programming. It is forecast that new productions will be in the region of 442 hours, thus marginally increasing closing stock at the end of 2008/9.

The mix of news, stock and new productions is described in detail in Table 7 below.

**Table 7: Illustration of GDS Schedule – Original Programmes, News, Repeats**

| Schedule - Hours broadcast |       |
|----------------------------|-------|
| Per day                    | 7     |
| Per month                  | 213   |
| Per year                   | 2,555 |

| Illustrative day of programming **                 |            |
|--|------------|
| News   | 0.5        |
| Original programming                               | 1.0        |
| Repeats  | 5.5        |
| <b>Annual requirement for original programming</b> | <b>547</b> |

| Expected hours of original programming, 2008/9    |            |
|---|------------|
| BBC news*   | 130        |
| Stock at start of 2008/9                          | 291        |
| Hours produced (GMS and BBC)***                   | 442        |
| <b>Total</b>                                      | <b>863</b> |
| Hours of original programming broadcast in 2008/9 | (547)      |
| <b>Hours carried over for use in 2009/10</b>      | <b>316</b> |

Original programming as share of broadcast hours 21%

Notes:

\* 0.5 hours BBC news a day, 5 days a week, 52 weeks a year

\*\* Consistent with application to BBC Trust

\*\*\* See Table 10

The minimum level of non-repeating programmes for a Sky EPG-listed channel is expected to be no less than 30 hours per month. The proposed schedule complies with this requirement

<sup>3</sup> The BBC will also provide a weekend news round-up, which has not been included in these hourage calculations.

### iii. Schedule – Genre Mix

The GDS has a need for 417 hours of original programming (excluding news) for its schedule. It plans that this requirement will be split in across genres as follows:

**Table 8: Illustrative Original Programming Schedule**

| <u>Genre</u>             | <u>Schedule</u>     |              |
|--------------------------|---------------------|--------------|
|                          | <u>08/09</u>        |              |
|                          | <u>£</u>            | <u>Hrs</u>   |
| Current Affairs          | 1,200,000           | 26.0         |
| Pre-school (origination) | 625,000             | 15.6         |
| Pre-school (co-pro)      | 200,000             | 8.0          |
| Pre-school (acquired)    | 800,000             | 80.0         |
| Children                 | 1,600,000           | 80.0         |
| Youth                    | 900,000             | 30.0         |
| Education                | 500,000             | 6.7          |
| Factual (origination)    | 1,000,000           | 20.0         |
| Factual (co-pro)         | 150,000             | 5.0          |
| Factual (acquired)       | 400,000             | 20.0         |
| Music/arts               | 800,000             | 20.0         |
| Sport                    | 350,000             | 15.0         |
| Religion                 | 250,000             | 26.0         |
| Light entertainment      | 1,500,000           | 50.0         |
| Drama / Comedy           | 1,100,000           | 10.3         |
| Specials/Launch/Events   | 750,000             | 5.0          |
| Repeats/Contingency      | 500,000             |              |
|                          | <b>12,625,000 *</b> | <b>417.6</b> |

Notes:

\* Provided out of £2.1m BBC investment and current GMS stock and new commissions

The above table is based on a 12 month broadcast schedule. The effect of an Autumn GDS launch would be an increase in programme stock carried in the Balance Sheet as at launch date with a corresponding reduction in productions transmitted written-off through the Income & Expenditure Account.

The GDS will focus its new commissions on genres required to bridge the gap between its planned schedule and the genres provided in existing stock. Table 10 below, outlines the genre focus of GDS stock and an illustration of where, therefore, the GDS will focus its programming expenditure.

**Table 9: Illustrative Expenditure by Genre – Stock, New Commissions 2008/9**

| <u>Genre</u>             | <u>Stock @<br/>31 March '08</u> |              | <u>Illustrative original<br/>programming spend - 08/9</u> |                |
|--------------------------|---------------------------------|--------------|---|----------------|
|                          | <u>£</u>                        | <u>Hrs</u>   | <u>£</u>  | <u>Hrs</u>     |
| Current Affairs          | 600,000                         | 8.0          | 800,000   | 17.3           |
| Pre-school (origination) | 500,000                         | 11.0         | 625,000   | 15.6           |
| Pre-school (co-pro)      |                                 |              | 400,000   | 16.0           |
| Pre-school (acquired)    |                                 |              | 1,400,000   | 140.0          |
| Children                 | 2,070,000                       | 117.4        | 1,000,000   | 50.0           |
| Youth                    | 365,000                         | 9.5          | 935,000   | 31.2           |
| Education                |                                 |              | 700,000   | 9.4            |
| Factual (origination)    | 1,810,000                       | 42.2         | 750,000   | 15.0           |
| Factual (co-pro)         |                                 |              | 300,000   | 10.0           |
| Factual (acquired)       | 25,000                          | 1.0          | 575,000   | 28.8           |
| Music/arts               | 1,570,000                       | 37.4         | 750,000   | 18.8           |
| Sport                    | 44,000                          | 1.8          | 406,000   | 17.4           |
| Religion                 |                                 |              | 350,000   | 36.4           |
| Light entertainment      | 2,560,000                       | 53.0         | 1,000,000   | 33.3           |
| Drama / Comedy           | 1,100,000                       | 10.3         | 134,000   | 1.3            |
| Specials/Launch/Events   | 500,000                         |              | 350,000   | 2.3            |
| Repeats/Contingency      |                                 |              | 500,000   |                |
|                          | <b>11,144,000</b>               | <b>291.6</b> | <b>10,975,000*</b>  | <b>442.7**</b> |

Notes:

\* Funded £8,875,000 by GMS and £2,100,000 by BBC

\*\* Average non-news programme cost is targeted at £25k per hour in order to produce 442 hours of original programming. The average cost of productions in Scotland was £34k per hour in 2006, and the figure for UK productions was £26k (Source: Ofcom, *The Communications Market 2007 Nations and Regions*). The cost in Scotland is influenced by a high proportion of drama production, including *River City*, *Taggart* and *Rebus*. The GDS will sustain lower average costs.

It should be noted that newly commissioned comedy and drama form only a small part of the proposed content budget. However, the GDS sees this as a key genre for development in 2008 and beyond. Comedy and drama shows in stock will be shown in 2008.

Sport will be a key genre for wider audiences and may command a significantly greater allocation of budget than forecast above.

The GDS's programming resources will be augmented by the Gaelic television archive, held by the BBC, GMS and the independent sector (licensed to GMS). The total archive is in the region of 2,500 hours, which is currently being assessed for broadcast.

Where appropriate allowance will be made for programmes to be rebroadcast on analogue.

#### **iv. Programme Suppliers**

It is impossible to predict content expenditure on a supplier-by-supplier basis due to the requirement to put quality and the originality of the idea as the first measurement criteria, irrespective of the source of the proposal. Nevertheless GMS is committed to supporting and nurturing the Gaelic independent production sector and sets as a benchmark that at least 50% of its expenditure on content should be allocated to that sector.

The remainder of the content will be sourced from the independent sector and the production departments or subsidiaries of broadcasters, particularly the BBC and STV. All potential suppliers will be afforded equal access.

#### **v. Programming Rights**

GMS's standard documentation, terms of trade and scrutiny procedures will remain in place for all GMS-funded productions. The rights acquired by GMS will extend over five years for digital television and online "watch again" and rights will be secured for analogue on a transmission-by-transmission basis. These rights are subject to separate agreements not forming part of programme funding agreements.

##### **c) Radio**

GMS aims to ensure that there are Gaelic radio programmes available on community, commercial and BBC stations. It also aims to ensure that radio programmes have editorial common ground with programming on the digital television channel where appropriate.

GMS will engage with community radio stations (particularly with those that have Gaelic obligations in their licence conditions) and with commercial radio stations to a greater extent in 2008/9, utilising the intelligence derived from its commissioned investigation into the potential of these stations to broadcast Gaelic output and make air time available.

##### **d) Online**

The GDS aims to create an online service that will become a gateway for Gaelic language content and that will support the television editorial and audience targets of the GDS.

Online services will include:

- Television: GDS content made available online through post-transmission "watch again" services
- Supporting and additional content: online content to support and enhance television programmes broadcast by the GDS, particularly for the benefit of learners of Gaelic (scripts, additional editorial, chat, podcasts)
- Community services: interactive services to allow the audience to communicate with each other and offer feedback on programmes

- Demographic specific services: the GDS will provide services targeted at specific audiences, such as the GMS-funded online community service targeted at the teenage Gaelic audience, [www.sgleog.com](http://www.sgleog.com) and <http://www.youtube.com/sgleog>

Over the longer term, as online and broadband usage increases, the GDS's online services are likely to become increasingly important.

#### **e) Broadcast / Technical**

The BBC will take primary responsibility for broadcast and technical operations. However, GMS will continue to invest in content management to facilitate the exploitation of its archive resources and prepare content for cost-effective payout.

#### **f) Marketing**

Marketing has a profound effect on audience behaviour and viewing figures. GMS's marketing strategy will:

- target the existing analogue audience to transfer to the GDS and retain loyalty to Gaelic programming
- target new digital audiences to include GDS among the channels they view
- create a strong launch campaign for the GDS. In support of this GMS has accrued £250,000 worth of promotional airtime on STV. It will also benefit from cross promotion from the BBC and from Gaelic programming slots on analogue television channels

Key targets will be:

- brand promotion
- specific content-related marketing initiatives
- viewer engagement / interaction
- PR
- Other: online promotions, press releases, promotional videos, programme support materials and on-air promotions

This will be delivered by the GDS team, alongside external agencies and with the engagement of the community and press. Budgetary allocation to this head will be kept under review, and if necessary adjusted in line with requirements and in consultation with Ofcom.

Following the success of the GMS's on-line discussion forum held during 2007/8 this forum will become a regular feature for on-going audience/GMS inter-action.

#### **g) Research**

Ongoing audience research and targeted projects are instrumental in refining genre mix and editorial specifications.

In-depth research into audience aspirations and demands will be a prime objective in the course of the year and will continue to be an ongoing priority.

To this end GMS, as lead partner in the area of research, will:

- assess the value of the current quantitative research methodologies and, if appropriate, institute a new model for gathering this data (audience ratings)
- put in place new qualitative research projects appropriate for a digital channel, including focus groups and online polling (audience appreciation)
- continue to gauge audience engagement through an annual omnibus study
- adopt best practice from other minority language broadcasters in Europe and apply them to the GDS
- create links with institutes of further education and universities to determine what can be achieved on a cost effective basis to understand the link between media and language development

## **h) Training**

GMS's investment in training is a core element of its remit. Its investment is both a valuable means to develop the Gaelic television and media sector and an important means of securing the medium and longer-term future of the GDS, by stimulating creativity and talent within the sector.

There is currently latent demand for training in the sector. However, production companies and others in the sector have been unable to take a long-term view of training due to the unpredictability of commissioning cycles, something that a dedicated Gaelic channel will rectify. This has resulted in skills gaps in many areas such as technical (lighting, vision mixing, directing, etc), front-of-camera skills (presentation, entertainment formats, etc), creative writing for screen and production administrative and financial skills.

The GDS will stimulate demand for training by providing longer-term commissions and output deals to suppliers who demonstrate commitment to professional development and by making clear the professional standards and qualifications it expects suppliers to have.

GMS will play a key role in meeting the challenges of supply. Having already invested in facilities, GMS will aim to bring courses to those facilities and will provide a scheme of financial support for attendees of such courses. GMS, as lead partner for training in the GDS, will work with Skillset and others to deliver this.

## **i) Relations with Institutional Stakeholders**

GMS aims to maintain a strong relationship with its key stakeholders, including:

- Ofcom
- DCMS, the Scottish Government and the Scotland Office
- PACT and independent production companies
- BBC, STV, ITV and other broadcasters
- Bòrd na Gàidhlig and Gaelic agencies
- Skillset, Scottish Screen, Screen Academy and educational institutions
- groups representing the audience

## 6. GDS: Targets and Benchmarks – 2008/9

GDS has set the following targets for 2008/9.

**Table 10: Summary of GDS Targets and Measurement**

| Target  | Measurement  |
|---|--|
| <b>Distribution</b>   |  |
| GDS to be distributed on DSat, FreeSat, DCable, online  | Distribution secured on these platforms in 2008  |
| DTT spectrum secured for Digital Switchover   | Formal commitment to DTT carriage  |
| Harmonisation of GDS with TeleG   | Agreement concluded with ITV on branding and collaboration with GDS  |
| Maintain commitment to Gaelic broadcasting on analogue  | Analogue hours maintained  |
| <b>Content</b>  |  |
| Establish commissioning strategy and schedule   | Agreed by GDS board  |
| Be on-track to achieve, by switchover, target audience reach  | 59 per cent of core Gaelic audience, GDS as a channel of choice (top 5 favourite channels)<br><br>5 per cent of wider (secondary) audience to view once a week |
| New working methodologies to increase volume without compromising quality   | Deals in place   |
| <b>Online</b>   |  |
| To have broadcast content available online for watch again  | 2 hours a week delivered   |
| To have online programme support materials to aid education and learning strategies                                     | Editorial specification of 20% of programmes to have online additionality built in   |
| GDS interface with online community, by means of discussion forums, features, promotions                                | 4 forums a year  |
| <b>Radio</b>  |  |
| Increase percentage of GMS-funded content available for broadcast on community and commercial radio                     | 80% of GMS-funded radio output to be broadcast on community or commercial radio  |
| GMS-funded Gaelic content broadcast on all community radio stations with Gaelic Ofcom obligations                       | Content on at least one commercial radio station   |
| Increase number of community radio stations broadcasting GMS-funded content   | GMS funded content broadcast to all community radio stations with Gaelic Ofcom obligations   |
| Utilise radio as development opportunity for drama  | 2 radio scripts delivered by new talent in 2008-09   |
| <b>Research</b>   |  |
| Understand audience patterns of consumption so as to retain loyalty of core audience and the interest of wider audience | Focus groups and other research activities   |
| To have a new or refreshed methodology in place for measuring audience data and patterns of consumption                 | Recommendations of methodology review implemented  |
| Sponsor research into links between broadcast media and language development  | One project or event   |
| Omnibus survey  | One omnibus survey in course of year   |

**(GDS Targets and Benchmarks – 2008/9 (cont'd))**

| Target   | Measurement   |
|--|---|
| <b>Training</b>  |   |
| Act on outcome of independent review of training in general and Gaelic Television Training Trust in particular             | Recommendations of review implemented   |
| Create demand for training courses   | Increase in numbers seeking training by 50%   |
| Facilitate supply of appropriate conveniently located training courses through medium of Gaelic                            | Achieve 35% utilisation of Fas facility for training and 20% utilisation for commercial activities                    |
| Scheme of financial assistance for trainees  | 8 Gaelic Television Training course students and 50 short course delegates and industry placements funded from scheme |
| <b>Media facilities</b>  |   |
| Content management   | All new GMS-funded content to be digitised and catalogued   |
| STV archive digitisation   | Whole of STV archive in digital media format and catalogued   |
| Taigh Shìphoirt media facilities in use for channel inputs   | Achieve full utilisation  |
| <b>Marketing &amp; promotions</b>  |   |
| Generate high levels of interest in channel, drive traffic to channel & website(s)   | Internal review to set annual targets   |
| Increase level of awareness of GDC programmes and channel (measurement in omnibus survey), achieve prominence for listings | Achieve 50% more media coverage (articles) than 2007/8, and improve Omnibus awareness ratings                         |

## **7. Organisational Structure**

### **a) GMS Organisational Principles**

In fulfilling its functions and objectives, GMS will adhere to the three fundamental principles of corporate governance: transparency, integrity and accountability. GMS will engage regularly with its stakeholders and report to Ofcom in accordance with legislation and with the Operating Protocol agreed between GMS and Ofcom in 2007/8. GMS will continue to report regularly on financial accounts to Ofcom and to the Scottish Government.

The policies that govern GMS's operations are subject to regular review and renewal. GMS will maintain robust financial and internal control systems, and efficient management and administrative systems consistent with Investors in People standards.

Although GMS is not a Scottish public body, it receives funding from the Scottish Government. GMS will therefore ensure that it has regard to the Scottish Government's guidance on corporate governance for NDPBs and sponsoring departments, and it will continue to comply with relevant Scottish and UK Government initiatives to ensure efficiency and compliance with best practice and required standards.

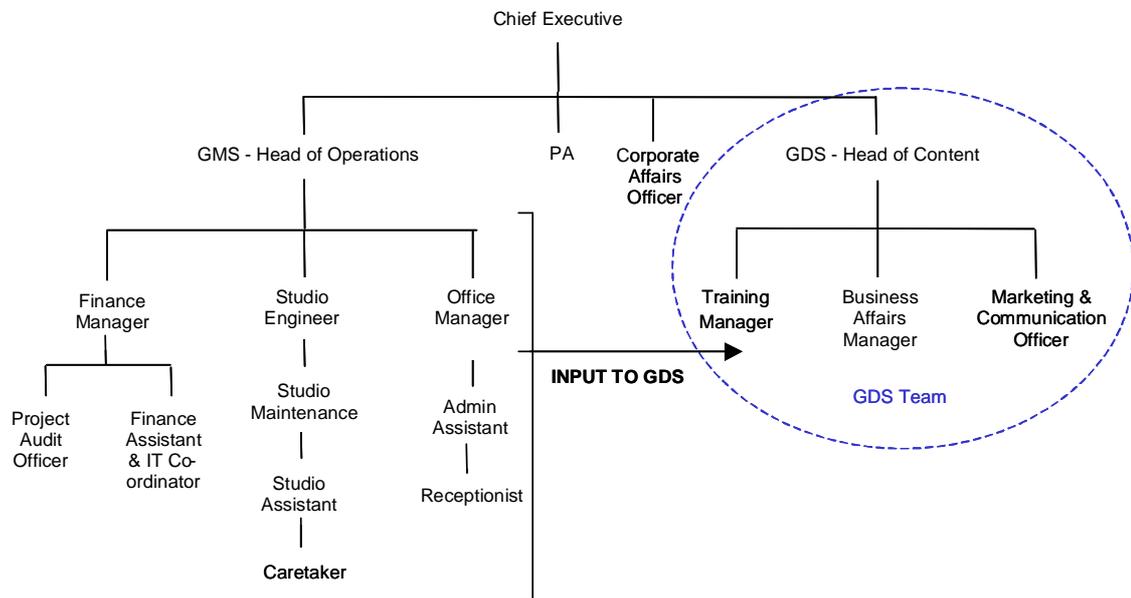
Following GMS's adoption of a new IT policy in 2007/8, the roll-out of upgraded IT systems will ensure that all data, including data on portable devices, are securely encrypted and that confidential information is protected.

GMS maintains a risk register which is updated monthly by the Management Group and reviewed by the Audit and Assurance Committee and by the Board.

GMS will continue to monitor its performance against the targets set out in its annual Operational Plan and five-year Corporate Plan.

## b) GMS Staff

The diagram below illustrates the organisational structure of GMS:



GMS staff will work on GMS (strategy, finance, reporting) and GDS (delivery of remit) business.

An approximate allocation of staff time between GMS and GDS is represented in Appendix 2.

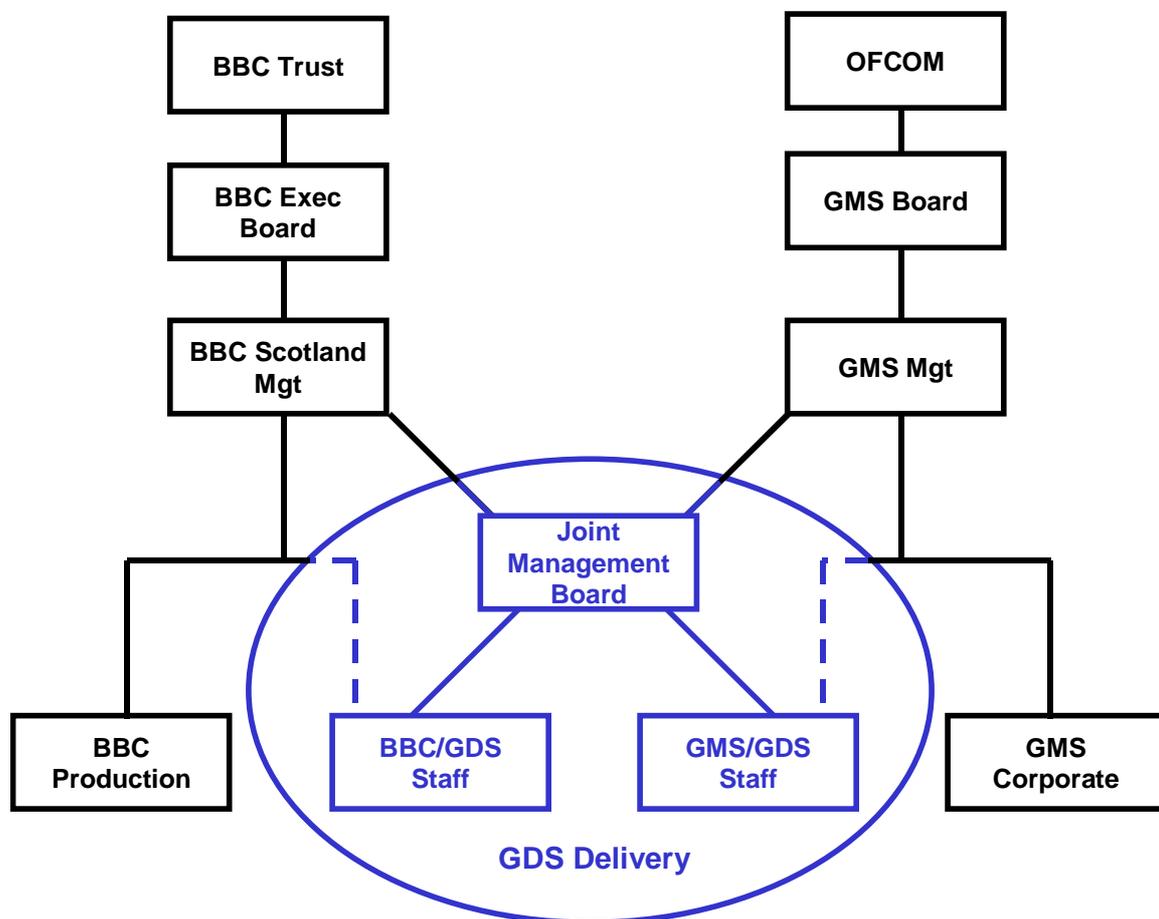
### c) GMS and the GDS

The GDS is a vehicle for the fulfilment of GMS's statutory remit in television, training and research.

GMS's function will be to collaborate in the GDS as a full and equal partner so as to ensure that the GDS delivers on GMS's organisational goals. It will, at the level of the GDS board, agree strategies and policies for the GDS which will enable the fulfillment of those goals within the context of GMS's own financial budgets and operational milestones. GMS will retain its core corporate functions relating to finance, asset management and the conduct of the GMS board.

GMS will also be responsible for reporting to and managing all GMS stakeholders.

The diagram below illustrates the basic organisational structure:

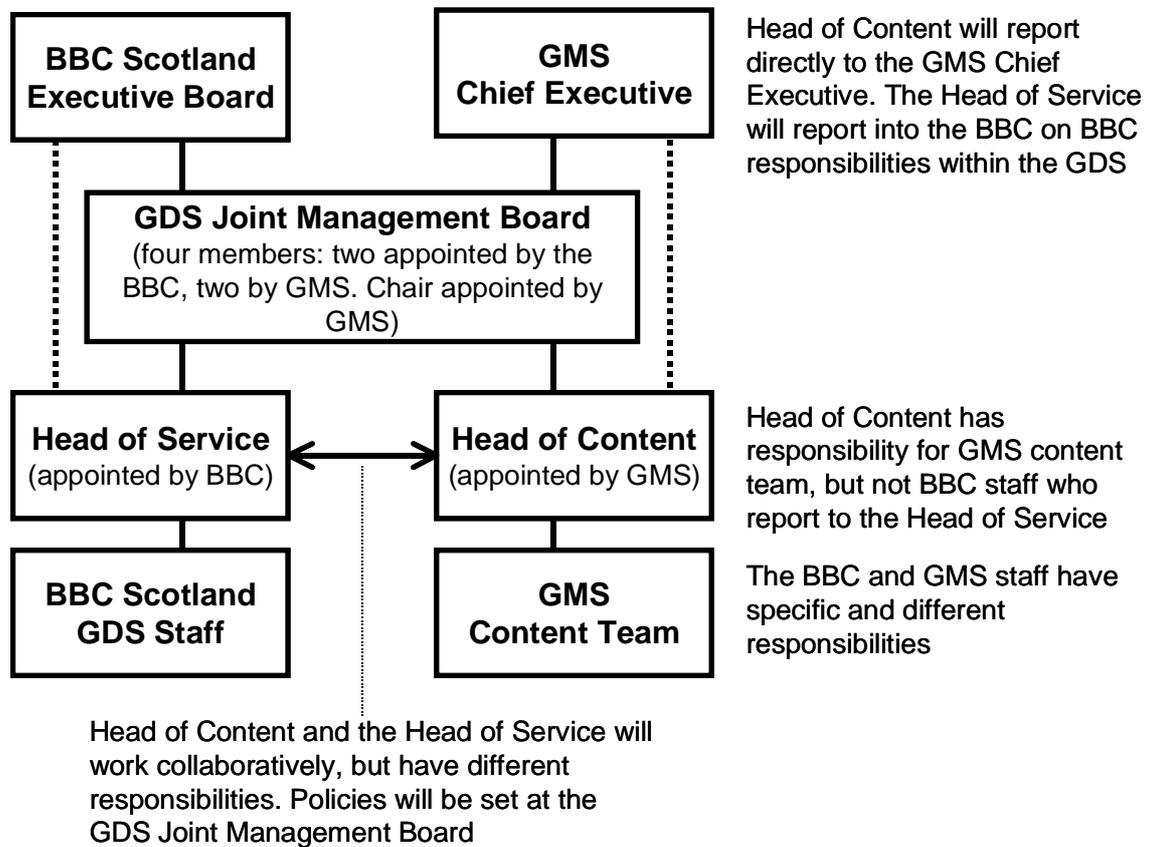


The GMS Board must include members nominated by Highlands and Islands Enterprise (HIE), the BBC and Bòrd na Gàidhlig. Ofcom must also secure, so far as is practicable, that the Board's membership is such that the interests of the Channel 3 licensees in Scotland and of the independent production sector are adequately represented.

See Appendix 1 for further details of the GMS management structure, including board composition and information about key management committees.

## d) Management Structure of GDS

The diagram below illustrates the organisational structure of the GDS:



The BBC and GMS will have separate responsibilities within the GDS. GMS staff will report to the Head of Content, who in turn will report to the GMS Chief Executive.

BBC staff will report to the Head of Service, who in turn will report to the BBC Scotland Executive Board.

The Head of Content and Head of Service will work collaboratively to execute the shared vision of the GDS. The GDS Board, chaired by a GMS appointee, will set policies and agree strategies.

### Main Responsibilities of Head of Content

- Scheduling of channel
- Manage commissioning process for channel
- Allocate GMS investment in content
- Manage GMS content team
- Training, research

### Main Responsibilities of Head of Service

- Delivery against Statement of Programme Policy and licence conditions
- Ensuring GDS compliance with BBC editorial standards
- Management of BBC investment to content and rights
- Delivery of technical and broadcast expectations
- Management of BBC's GDS staff

**Table 11: GDS Planning Process**

|                  |  |
|------------------|--|
| <b>August</b>    | <p>GMS agrees financial parameters for following year with the Scottish Government</p> <p>BBC outlines financial commitment to following year</p>  |
| <b>September</b> | <p>GDS meets with key stakeholders and partners to consider research and assess needs and proposed contributions/collaborations</p> <p>GDS creates Project Plan for following year and makes outline resource allocations-</p> <p>Project Plan and proposed Statement of Programme Policy are submitted to the GDS Board</p> |
| <b>November</b>  | <p>The GDS Board will consider the Project Plan and Statement of Programme Policy</p>  |
| <b>December</b>  | <p>GMS will finalise its Operational Plan for the following year and submit to Ofcom for approval, as envisaged by statute</p>   |
| <b>February</b>  | <p>GMS and BBC Management will advise the GDS of any necessary amendments proposed to their respective operational or business plans for the following year, and such amendments will be incorporated in an amended Project Plan and/or Statement of Programme Policy as appropriate.</p>                                    |

### **e) GDS Partnership**

There are clear arrangements for the management and governance of the GDS partnership and detailed arrangements have been put in place to ensure the appropriate financial controls are in place.

- GMS and the BBC will provide the GDS Board with quarterly accounts showing the financial spend and results compared to budget together with a commentary and report provided by the Head of Service. This report will include a forecast for the full financial year together with any corrective actions
- It is agreed between the parties that a system of separate book-keeping is the most efficient and effective manner of dealing with transactions, in order to fulfil the accountability and reporting requirements of both organisations
- Transactions between the two companies are expected to be limited to operating costs charged by BBC to GMS and office rental charged by GMS to BBC, subject to agreement on actual costs, and both parties have agreed to run an “open book” policy. This principle entitles each party to inspect the accounting records of the other party to verify expenditures
- The BBC will recover its overhead through the overheads charged to programme offers and commissions. GMS retains its salary and administrative expenses budget outside the notional allocation to the GDS
- An annual Project Plan will be submitted to the GDS Board (a joint BBC / GMS Management Board). This will show the expected budgetary expenditure of each party. The GDS Board will be responsible for review of actual performance as compared to the forecast
- Where possible, expenditures will be controlled by means of dual (one authoriser from each of GMS and BBC) to be designed and controlled electronically via email
- Regular phased forecasting referred to under Budgeting and Forecasting will highlight the potential for budget variances
- The Head of Service oversees the delivery of the strategy and programme policy of the GDS, working closely with the Head of Content. Regular updates will enable senior management to be aware of commissioning against target genres and funding remaining. Both parties will deliver quarterly finance updates to enable the tracking of commissioning against target genres and funds remaining.