

## ABERDEEN CITY COUNCIL

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COMMITTEE Enterprise Planning & Infrastructure

DATE 18<sup>th</sup> January 2011

DIRECTOR Gordon McIntosh

TITLE OF REPORT Community Digital Media Channel

REPORT NUMBER: **EPI/11/011**

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### 1. PURPOSE OF REPORT

This report presents the findings from the Big Lottery funded feasibility study on the establishment of a Local Digital Media Channel, as advised to committee in a bulletin report on the 20<sup>th</sup> April 2010, and seeks support to submit external funding applications to take this proposal forward.

### 2. RECOMMENDATION(S)

It is recommended that committee accept this feasibility study as an accurate evaluation on the community needs, partner commitment and the most appropriate medium of delivery.

It is recommended that committee support the continuation of this proposed project

It is recommended that committee instruct officers to seek external funding to progress with this project

It is recommended that committee receive regular updates on the progress of this project

### 3. FINANCIAL IMPLICATIONS

There are no financial implications arising from the production of this report

### 4. SERVICE & COMMUNITY IMPACT

This paper and its related activities support the following Single Outcome Agreements.

- 2 We realise our full economic potential with more and better employment opportunities for our people.

- 3 We are better educated, more skilled and more successful, renowned for our research and innovation.
- 10 We live in well-designed, sustainable places where we are able to access the amenities and services we need.
- 13 We take pride in a strong, fair and inclusive national identity
- 15 Our public services are high quality, continually improving, efficient and responsive to local people's needs

## 5. OTHER IMPLICATIONS

There are no other implications arising from this report.

## 6. REPORT

Officers within Enterprise and Business Development were successful in submitting a bid to obtain £ 9,750 funding from "Big Lottery, Investing in Ideas fund" to finance a feasibility study on the concept of establishing a Community Digital Media Channel. This funding enabled specialist consultants to identify and measure: Costs, Community benefit, operating mechanisms, potential content and future sponsorship opportunities.

### **Background**

Our aim is to establish a local community digital channel that will reach those hardest to reach groups within the regeneration areas, which through lack of money, confidence and awareness have been traditionally excluded from accessing the full range of services and activities available within the City. Through the digitalisation of Television, and increased access and usage of Broadband opportunities have been created to deliver and promote information, services and support that will enable them to lead healthier, happier and more enriched and sustainable lifestyles.

If start up funding can be identified and obtained this project will bring together a diverse range of organisations based in the city to promote their services which support inclusion and positive lifestyles. (Child care services, Social work services, Jobcentre plus, Skill development Scotland, Education, Culture and Sport services, Healthy living network, Community Councils, Equality Office, Grampian Racial Equality Council, Grampian Police, Aberdeen College, University of Aberdeen, Robert Gordon University, Aberdeen Council for Voluntary Organisations etc).

The proposed project would aim to broadcast a wide range of programmes which would be generated from community activity, community art projects, voluntary activities and the wider support agencies. For example story telling sessions delivered within the community libraries could be broadcast across the city and be enjoyed by children that would otherwise not be given the support to engage in these activities and potentially create a demand for participation and therefore encourage parents to engage on a community level where they can access further information and build confidence by participation.

This project will operate on a cradle to grave basis to enrich the lives of all ages across the city, with specific emphasis on regeneration areas. Programme content could also be generated by community councils to ensure local activities were promoted. Food co-operatives and healthy living organisations could produce low cost healthy eating programmes etc. The environmental forum could produce programming on the impact our daily lives have on the environment and how to positively reduce this impact. If this project was considered feasible it could be established and managed in one of the regeneration areas, which would create employment and volunteering opportunities and strengthen the community.

It is anticipated that the local colleges and universities media study units would become involved in the content generation and management bringing additionality in the form of work experience and the development of practical and employability skills to their courses. This project could also support and encourage the creation of media related enterprises. This channel would give “air” time to all community groups across the city encouraging engagement with and promotion of our diverse multi cultural population.

We will also investigate the benefits of providing English as an additional language programming which will assist our large economic migrant population improve their English language skills at times convenient to their lifestyle. Improvement in language skills will assist this community integrate with the wider community and also enhance their employment opportunities. Adult literacy programmes could also be screened to allow those with literacy problems to develop their skills in a non threatening environment and perhaps engage with progress groups as their skills later develop.

### **Feasibility Study**

Imajica, an Aberdeen based Design, Marketing and Media consultancy were appointed to deliver the feasibility study and their full report is attached as an appendix.

### **Market Research**

To ensure the study represented all segments of the population research was conducted on a face to face, individual and organisational, basis covering community groups, private sector, public sector and neighbourhoods. The feedback was extremely supportive of the concept, showing a willingness to participate and wealth of potential content materials.

Although both Grampian Police and NHS Grampian were wholly supportive of the proposal, they have been subjected to large budget cuts and were unable to state at the time of the study whether they could financially contribute.

### **Public & Private Sector**

“Youngsters need skill sets and encouragement and this is a huge opportunity for them to learn more about film, editing, producing, broadcasting and media”

### **Aberdeen Foyer**

“Leafleting is time consuming and resource intensive for the police and other organisations, this is the perfect central media source to take the strain away”

**Garry Senff – Grampian Police Community Liaison Officer**

“LTV can only enhance and enrich community in Scotland”

**Alexander Stuart – Local TV Business Planning**

“Community impact is important and measurable with a local media channel as well as increasing business and creating opportunities”

**Anna Rathband – Tayscreen & North Sea Screen Partners**

“This is a huge opportunity for promoting the city”

**Graeme Ross, Royal Bank of Scotland**

“Other ways that residents in these communities can benefit from the project, for instance in providing training opportunities, work placements, ability to raise issues etc, rather than simply assuming they will benefit from watching”

**Alan Mulvie, Neighbourhood Community Planning Officer Aberdeen City Council Education, Culture & Sport**

“Aberdeen City and Shire warrants this and the population density, depending on resources, could justify a TV station. I do believe there is a market for hyper local content, people want to watch it.”

“We should support this and it will be a terrific opportunity in broadcasting for locals and for the students.”

**Paul Adderton, Aberdeen College**

“Broadcasting via a broadband platform is the key way forward, technology should be the driver. In 2 years I expect everyone will have access to broadband somehow”

**Gary Cameron, Culture & Sport Strategy Office for Aberdeen City Council**

“Most people have mobile phones in regeneration areas these days, which most have internet access on, I think a web based service is the way forward and would serve the community. Our local big organisations and oil companies should be investing in this community project, they do it with others and this is an important one for them to be involved in”

**Greig Addison, Family Information Service, ACC**

“We would all love a central platform for communication and be able to represent our organisations more efficiently, but the funding model needs to be clear, who will it be serving?”

Social corporate responsibility of local businesses and companies is key here, they have a commitment and this is a huge community project – can they contribute, or will they be contributing? They need to show a commitment.”

**Sarah Campbell, GREC.**

A key local businessman in the city saw “potential” benefits over more traditional media across a raft of areas including reviews, advertising and promotional programming; they would be willing to engage only if the costs of doing so were comparative to newspapers and magazines.

## **Community**

Aberdeen Foyer who is currently delivering “The Torry Community Signature” collected **66** responses from all age groups, both male and female within the Torry Community.

**44%** said they would definitely be personally interested in an Aberdeen digital channel and **32%** said they might be. **64%** felt it would benefit their community and **73%** felt it would benefit the city as a whole.

The Torry community audit painted a different viewing expectation than the partnership audit. Whereas the public sector and voluntary organisations wanted to promote themselves and community focused messages on crime, health, engagement etc. the community actually wanted local feel good stories, music and sport and entertainment. They wanted to see local people enjoying themselves, and to know what was going on around the area. Of course they want the information to be hyper-local but they also wanted it to be watchable. With the right production values and a careful eye on program content these areas don’t have to be mutually exclusive.

When STV conducted a recent national survey aimed at identifying local information requirements, 33% were interested in local services, crime, and housing. 50% would welcome some community and local transportation information but 70-90% wanted news weather and event information

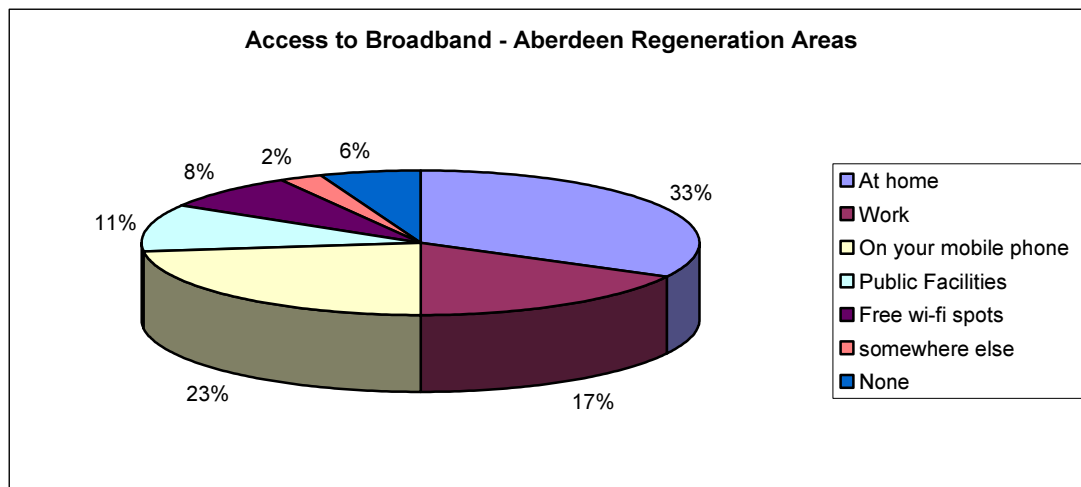
Prior to the conclusion of the feasibility study, delivery of the proposed channel through free view was always the optimum model. However the changes in the political landscape, inability to currently access a free view channel, high start up, running and development costs, with limited access to external finance and sponsorship for this model make it currently unfeasible. Research to date has suggested that a broadcast only local television channel is unsustainable. Nobody has yet been able to come up with a model which is self-supporting beyond initial public sector funded start up period.

Trinity Mirror boss, Sly Bailey, says that City TV stations like Channel M in Manchester are not viable; “We look forward to seeing the results of the independent commercial assessment of local television but it’s worth noting at this point that we don’t see ‘City TV’ as a viable proposition. Our research suggests that the costs are too high and the revenues too low to support a sustainable business model.”

The model that is currently most robust is the development of a broadband based service, which has the advantage of not only being viewed across the city, but on a global basis, maintaining “home” contact with our growing number of “Ex pats” and promoting Aberdeen as a Tourist, Business and Inward Investment destination.

## Broadband Coverage

In 2009, 18.31 million UK households had Internet access (70%). This represented 70 per cent of households and an increase of 1.85 million households since 2008. These estimates are derived from the 2009 National Statistics Opinions (Omnibus) survey.



Internet Access in the Aberdeen has been a key focus area of the study. Ofcom nationwide statistics suggest home broadband take-up is 72% while in regeneration and rural areas this drops to nearer 50-60%. Our research has established that most people in Aberdeen have access to the Internet in some shape or fashion on a daily basis.

In support of this option The Aberdeen Open WiFi Network Initiative aims to build an open accessible Wi-Fi network across the regeneration areas of Aberdeen, offering free Internet and other digital services to the target community. To date most of Middlefield has been provided with a free wireless network (WiFi) which is being used to access Internet services for no cost. Over 300 users already use the network on a daily basis, with an average of over 1,300 unique users a month, assuming additional funding can be secured, it is hoped to roll out the Wi-Fi service to neighbouring regeneration areas in the coming year.

## **Broadband based Digital Media Channel Establishment and running costs**

The attached consultant's report indicates an initial start up cost of £ 53,000 which would cover the purchase of equipment, web site development, registration with ATVOD (Association for Television on Demand). And brand development and promotion. Thereafter Imajica estimate the running costs for year one to be between £ 288,250 and £ 328,250. With year two costs running between £ 303,250 and £ 357,250. (The majority of the increase due to increased staffing costs).

In relation to the above cost projections it is felt that by closer partnership engagement and working, the projected costs could be significantly reduced. The projected costs in the above section are non contributory costs; however it would not be unrealistic to assume that some of the costs could be met via "In kind" contributions from Aberdeen City Council.

It is envisaged that if this proposed project receives full council support that running costs would be supported by the provision of the following goods/services for a minimum 3 year start up period. (Rent, rates, telephone and Broadband)

By co-locating within council premises an annual saving of £ 29,000 could be made.

It is also fair to assume that both the local Universities and Aberdeen College would be keen to participate as partners in this project and could "lend" equipment during the early stages and potentially contribute advice/expertise from their academic staff. Additionally this project would provide a valuable source of "work experience" for their media trainees/undergraduates which could potentially supplement the staffing resource. Undergraduates may also be keen to volunteer to gain valuable skills and knowledge to enhance their CV and future employability. As can be seen from the attached report staffing contributes to the majority of the running costs, these costs have been projected assuming that a full compliment of 5 – 7 staff will be required from day one. Our perspective is that the staffing compliment will grow on an incremental basis, which will further reduce projected costs.

## **Revenue Generation**

There is an opportunity to utilise the website for revenue generation through a range of channels including advertising sales, business links, sponsorship opportunities and ticketing commission sales. For local events the media channel website would be a perfect central source for advertising and to act as an e-commerce site to purchase tickets. These opportunities would be enhanced by search engine optimization, bringing in significant global traffic.

## Revenue Projections

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<b>Commercial Advertising</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>60,000</b>	<b>80,000</b>
<b>Sponsorships</b>	<b>20,000</b>	<b>20,000</b>	<b>35,000</b>	<b>60,000</b>	<b>75,000</b>
<b>Commissioned Work</b>	<b>0</b>	<b>10,000</b>	<b>15,000</b>	<b>20,000</b>	<b>40,000</b>
<b>Footage sales</b>	<b>0</b>	<b>5,000</b>	<b>8,000</b>	<b>11,000</b>	<b>20,000</b>
<b>Merchandising</b>	<b>0</b>	<b>5,000</b>	<b>8,000</b>	<b>14,000</b>	<b>20,000</b>
<b>Website Revenue</b>	<b>8,000</b>	<b>10,000</b>	<b>15,000</b>	<b>20,000</b>	<b>30,000</b>
<i>Total</i>	<b>48,000</b>	<b>80,000</b>	<b>121,000</b>	<b>185,000</b>	<b>265,000</b>

The report also identified a range of potential funding sources (detail available separately). These are extensive and encouraging but many of the sources identified have very specific eligibility criteria.

The majority of the grant schemes listed covers a variety of themes. However, to illustrate this point the Esmee Fairbairn Foundation provides grants, “to improve the quality of life for people and communities that face disadvantage and focuses on the UK’s cultural life, education, the natural environment and allowing people to participate more fully in society”

In the external grant application, emphasis would be placed on the variety of audiences and benefits the investment would bring.

For public funding and grants research, the 5 focus areas should be:

1. Community
2. Leisure & Sport
3. Education
4. Health
5. Crime / Local Authority



## **Delivery Model**

A number of delivery options were evaluated to deliver a digital media channel and the Social Enterprise model appeared to be the most appropriate.

This model could create its own revenue, as well as receive funding and grants, but any profit made would be either invested back into the organisation or invested into the community. Activities would be monitored by the establishment of board of trustees.

It would be the responsibility of the Director, management and staff to manage and maintain the television channel on a day to day basis. The trustees would not participate in any day-to-day decisions, or would not be involved in any commissioning or editorial decisions. This would maintain the independence of the Trustees and ensure it remains at arm's length from decisions, especially in relation to programme content.

The Director and the management team would be held responsible for ensuring that the affairs of the television channel are conducted in accordance with policies, operating procedures and legislation approved by the Trustees. The employment and management of other members of staff would be managed by the Chief Executive, however would comply with annual budgets and agreed employment strategies approved by the Committee.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Feasibility Study Report – Local Television Service – Imajica Ltd