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Dear Joan,

Thank you for your correspondence of 22 August, to the Secretary of State for Digital, Culture, Media and Sport, the Rt Hon Jeremy Wright MP, regarding the Culture, Tourism, Europe and External Relations Committee's recent hearings on STV's strategic review. I am replying as the minister responsible for this policy area.

With regard to your question about Ofcom's powers in relation to a change of control or change of ownership involving a company holding a broadcasting licence, as Ofcom explained to the committee during the evidence session on 28 June, there are no requirements for Ofcom to formally approve such a change, but the licence holder is required to notify Ofcom of the change. However, Ofcom does have an obligation to be satisfied that the acquiring company is entitled to hold the licence and, if so, whether the person acquiring a company holding a broadcasting licence is fit and proper.

The fit and proper test, as set out in s3 of the Broadcasting Act 1990, is, by necessity, a broad one and it is for Ofcom to determine whether holders of broadcast licences continue to satisfy this requirement or, if concerns are raised, whether to open an investigation. It is a long standing convention that government ministers do not comment on broadcasting licensing matters on specific cases. As Ofcom made clear during the evidence session, Ofcom is able to take account of a range of factors including matters that are not related to compliance with broadcasting requirements, in assessing the fitness and propriety of licence holders.

You also asked about the risk that the change of ownership might have on local TV services broadcast by STV in Scotland. Ofcom does need to consult publicly on proposals made by the local TV licence holder to make major changes to the programme requirements set out in the licence. Before deciding whether to agree to any proposals to change a licensee's programme requirements, Ofcom would need to be satisfied that the proposed changes did not adversely impact the character of the service offered. This would particularly concern the requirements for local news and locally-made content and would take account the view of industry, from wider stakeholders including the Scottish Parliament, its members and other public bodies. I note you have written in similar terms to Ofcom and am copying this response to Sharon White, Chief Executive of Ofcom.

Best wishes
Margot

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Minister for Digital and the Creative Industries

