

BBC CHARTER REVIEW SEMINAR
THE BBC'S INTERNATIONAL ROLE
24th NOVEMBER 2004

Lord Burns: Good afternoon. Could I welcome you all to this, which is the 10th in our series of seminars. We had the 9th this morning, so if one or two of us look slightly jaded it is because of that as well as too many late nights. Today, this afternoon we're looking at the international role of the BBC and it is one of 5 seminars with a slightly different focus, where we're looking at a number of cross-cutting issues. And this afternoon we're going to concentrate on the BBC's international role in all its respects. We're planning to deal with the BBC's objectives for its international role, you know the ambitions, the limitations, and this is all designed to help shape the government's thinking as we move towards the Green Paper in the New Year. I've got a number of housekeeping issues. The first and most important is that we have some cameras at the back of the room, which the BBC have kindly provided and it's providing a live link to the BBC's website and it's very important that we have our mobile phones and blackberries switched off. That doesn't mean putting them on silent. It actually means switching them off I'm afraid as if you were in an aeroplane because otherwise they interfere with the sound and you will hear it every now and again where somebody has failed to turn it off and there will be a bit of rumbling going on in the speakers because your machine hunts for its signal. The loos are located on the other side of that room up there where we were having coffee and sandwiches. The fire exits are all marked. If you would please keep your security badges and name badges on at all times and not go into other parts of the building. There are a number of DCMS officials around who can help you. First of all I can introduce Alice Rawsthorn from the Independent Panel who is going to help facilitate today's debate. We were hoping also to have Sly Bailey but unfortunately she is unwell and hasn't been able to join us. In terms of the guests on the Panel, we have Patricia Hodgson, Don Reading, Ian Ritchie, Reese Schonfield and from the BBC we have Mark Byford, who is also on his second stint of the day. He's going to be accompanied in the first session by Mark Young who leads BBC Worldwide Activities in the Americas, Europe, Middle East, Africa and India and for sessions 2 and 3 we'll have Nigel Chapman, who is the Director of the BBC World Service. And this afternoon, as I say, we're going to have 3 sessions. We're going to look closely at the range of international activity which the BBC is engaged in, both on public service and commercial bases. We want to look at what is currently being done, why and what kind of impact and where we should be going in the future. Alice is going to open for us and offer a few observations. I'm then going to ask Mark to say a few introductory remarks and then throw it open to the rest of the Panel. The agenda is for the first session to look at the role of the BBC in relation to the rest of the world, we'll then have a bit of a break and the second session on audiences and stakeholders. We'll have another short break and then we will look at the BBC World Service in the final session. So the opening one today is the whole question about the BBC's role in relation to the rest of the world in all its respects. And I will begin by handing over to Alice.

Alice Rawsthorn: Thank you, Terry. Now, as every British tourist knows, if you're in a foreign country and you identify yourself as British to someone who doesn't speak English or even American, certain phrases are likely to be flung back at you – the Beatles, David Beckham, Manchester United. Now Terry, who's a QPR supporter, would rather I said Queens Park Rangers here but I think even he would admit it doesn't have quite the international iconography – cup of tea, roast beef and of course the BBC. The BBC is one of the most visible totems of Britain internationally and the question of how it functions in other countries is of immense importance. Our objective in today's seminar is to explore the international role of the BBC now and in the future, both in terms of its output in other countries and how it represents international events to its domestic audience here in the UK. The areas that we have to cover are both extensive and complex. Just consider how many services are included in the BBC's international activities from the global news division – that consists of the World Service, BBC World, the BBC's international news sites and BBC monitoring to BBC Worldwide. Then consider the impact of digital technology on the provision of the BBC's domestic services internationally. These days if you tune into a phone-in by a Radio 1 DJ like Chris Moyles or Vernon Kaye, people are as likely to call in from Western Europe or North America as they are from the UK. And what are the long-term implications for the future of the

World Service, of the availability of speech radio, like Radio 4 online via the BBC website? This afternoon we're going to seek to understand how the BBC's myriad international activities work together, their strategy or means of co-ordination, the objectives they're intended to fulfil now and how those objectives will change over the next decade. We're also interested in examining the nature of the BBC's international audience and its future evolution as well as the commercial impact of the BBC's international role and how we might usefully measure the success or otherwise of its international activities. We hope to explore the BBC's relationship with other international organisations, many of which contributed to the DCMS consultation on this issue. The BBC has established productive relationships with many institutions, notably the British Council and Discovery Channel. How will they evolve in the future and how will the BBC develop its rapport with other potential partners such as Oxfam and Save the Children. We'll also address the issue of the BBC's coverage of international affairs for its UK audience and this is an area where the BBC has come in for criticism in DCMS's public consultation. Many respondents felt that coverage of international affairs, particularly by the BBC's terrestrial television services, is not only diminishing but being marginalised. Is this the case? I'm sure that the BBC representatives on the Panel will have a lot to say on this and, if so, is it accessible now and in the future? An important theme throughout all these seminars has been to examine not only what the BBC does in particular areas but what it does not do and should not do. Are there areas of international activity where the BBC should be expanding more aggressively? Conversely, are there areas where there is no real rationale for its presence? We'll be very interested in hearing the Panel and the audience's reflections on that.

Lord Burns: Thank you very much. Mark, lead us on.

Mark Byford: Well I come as Deputy Director General again as this morning and as a former Director of the BBC's Global News Division, running the World Service and World. Global value is one of the five key purposes that the BBC lays out in Building Public Value. It's not a kind of nice to have on the side, it's absolutely central to the overall role of the BBC in the future. And in my view it's more important today than ever before. There are three key roles, providing trusted news and information, promoting the best of UK creativity and talent to the world and thirdly, bringing that presence and impact back for the benefit of licence payers in the UK with international perspectives within our own programming here. On global news, the aim is to be the best-known, the most –respected voice in international news broadcasting across radio, television and new media and, by that, bringing credit back to the whole of the United Kingdom and of course to the BBC. The global news role is about providing information but also celebrating values of impartiality, integrity, trust, truth, openness, tolerance and quality. The World Service has been there for more than 70 years now, recently celebrated its 70th anniversary. Some people in London often think it's an English service. It's actually 43 language services coming from Bush House to around the world in radio, grant-in-aid funded through the Foreign Office. Kofi Annan at the 70th anniversary said it was perhaps Britain's greatest gift to the world this century and I was its Director. That's one of the proudest things you could ever have said about you but it's a service that can't stand still and, as we move into the 21st century, had to be flexible in order to retain its strengths for the 21st century. BBC World started in the early 90s, commercially funded, has a growing reputation and a growing reach as the international television news channel from the BBC. Less than 10 years ago we didn't even have an online presence, as we were saying this morning. Today, through the grant-in-aid funded international news website, we have recently received awards for it being the best radio and the best news websites in the world. The overall reach of the global news services is 180 million every week, connecting with the BBC through radio, television or new media. That makes us today the leading international news provider in the world. And there are things that I even say to myself to remind myself of the impact. Today in Kabul 6 out of 10 are connecting with the BBC every week. I mean that's as many as listening to the whole of BBC Radio in the United Kingdom. In Iraq we're the leading international speech broadcaster. Across the Middle East we have the leading Arabic news site. In Nigeria there's more people listening to the World Service than to Radio 2 here and yet, at the very same time in America, in Boston, Washington and New York, 40% of opinion formers are connecting with the BBC every week. So this is a service that reaches different audience groups in different markets but all providing the same trusted values. The second key role is showcased in the best of the United Kingdom's creativity, culture and talent to global

audiences, bringing credit back and generating additional value through revenues for BBC licence payers. Now we achieve that in part through BBC Worldwide, our commercial arm, hence why Mark is on the Panel with us, 40,000 hours of programming licensed around the world every year, a growing portfolio of international channels and joint ventures, 50% of all UK television exports, obviously bringing benefit to the talent itself in having a window to the world, an audience to the world for their own creativity, and promoting additional income back for reinvestment in original programming here in the UK for the licence payer. And then third, as Alice said, using the BBC's global presence to bring a richer dimension to BBC programmes here in the United Kingdom and help connect the people of a multi-cultural United Kingdom to their international roots. And there's one thing I have there, a real example when I was in Bristol last year just on a visit and they were planning the St Paul's carnival and trying to get to their roots in the Caribbean and it was through that that they had a major then relationship with the World Service in connecting people from the Caribbean with the people of Bristol. There's more we can do on that. Our challenges on the global front – well firstly in a world of instability, mistrust, you could even say hate at times, it is to build the BBC's reputation as the world's most trusted broadcaster of news and information through the World Service, World and our global online services, I think as well as being a direct push at news provider, how we use the multi-media opportunities, especially the Internet, to turn global broadcasting also into a global conversation - that came up a little bit in this morning's themes but I think it's very big on the international front - world forums with global leaders, also forums through the BBC for people to connect with each other to promote mutual understanding and different perspectives, build the BBC's global role as an export power and extend strategic joint ventures to offer better access to international markets and return even better value to the licence payer, and improve our international coverage here in the United Kingdom with BBC services offered to the licence payer.

Lord Burns: Thanks very much. Who would like to? Patricia?

Patricia Hodgson: I think it's worth looking at the BBC's international activities historically because of their terrific importance over time and that helps you think about what the perspective ought to be on international versus domestic services. And guess there's been three periods really. Obviously the Second World War and the Cold War, where the World Service was understood to be enormously important in the history of the world, in the civilisation of the world, and how it would be determined over time. Then, when the wall came down in Berlin and we were into a completely different age, I think there was a slight loss of direction as far as the World Service was concerned for a while and interest moved to what the BBC could do commercially overseas and of course to the potential of new technology with the Internet, and a lot of good things were done in the 90s. And then suddenly 9/11 pushed us back into contemplating what the role of the UK and within that the role of the BBC might be around the world when we have the equivalent of armed camps, I mean great cultural conflicts again. And I think that this debate ought to take place in that context. I was very pleased to see from our briefing notes the reorganisation within the BBC into the Global News Division. That's clearly enormously important. I remember BBC World, the television service, struggling because it's a fact of life unfortunately that news is not either domestically or internationally a good commercial operation and I think we see from figures here that it's still not. And having the confidence to say that a television news service is part of the BBC's, fundamentally the BBC's public service to the world and putting it altogether in a division that cares about the journalism and that mission to the world is enormously important. It's outside your terms of reference, Terry, but I think the time will come when the government needs to look again at whether there should be some public funding for BBC World. I mean if you just look at the moment at the money that the Americans are pouring into television and the Middle East and you think how useless that is compared with what we could achieve if we had a sensible television service in the Middle East, it bears thinking about. On the commercial side, a very strong start in the early to mid-90s with the Discovery joint venture, with the recognition that it was important that the BBC could sell its intellectual property around the world. I think then that didn't quite develop as strongly as it should have done and I hope you will encourage the BBC to have a fresh focus on its commercial activities overseas. I mean one of the small weaknesses that the BBC suffers from, as we've noticed in others of these sessions, is if it moves we're in it and I think quite a lot of diversion into areas like resources and play-out and all those areas domestically because they feel closer to home

and therefore closer to daily concerns have diverted attention from what the BBC really ought to be doing, which is exploiting its intellectual property around the world, increasing the kind of return that it gets commercially as well as, of course, supporting the importance of Britain's creative industries and knowledge, central leadership around the world. So, if your group felt inclined to encourage the BBC commercially to focus on its main business, which is programme making, and let others run resources and things like that, which I'm sure they can do equally well if not better, that might create a fresh management focus about commercial activities around the world and free up some capital to invest in it.

Lord Burns: I mean you say there is this issue that we've dealt with on more than one occasion of, you know, if it moves the BBC should be in it. I mean isn't the very notion though, the way you put it, that we should be competing with the Americans for broadcasting to the Middle East sort of got a colonialisation sort of feel about it, you know why are we, why do we see it as something that we should be in competition with other countries for to supply them with news? I mean aren't countries gradually going to have their own news services, etc. And where do we, you know we naturally think that we have a big role in this because we've been good at it in the past but will this remain a worthwhile activity indefinitely?

Patricia Hodgson: Yes. I have a very old-fashioned, romantic view of this, although I actually think it's rooted in rather more than nostalgia and romance. I think Britain has been an extraordinary world leader in intellectual areas, whether that's the leadership of our universities, coming out of medicine, philosophy, history and so on, gloriously taken up by the BBC with this particular leadership in journalism. I would have thought that if you had a means of polling the world and asking them where the best journalism came from, they would say it comes from the UK. I remember wonderfully in 1990 getting back from holiday and there was a note that had been pushed through the door. It said 'Don't unpack. Go to Budapest.' And the Hungarians had rung up and said to the BBC "Send someone to teach us about free broadcasting." And you would still find that in Eastern Europe, in the Far East, around the world and I think that's important not just in a sort of competitive sense but because I really do believe that the United Kingdom has elements of wisdom, its own democratic culture that are extremely important in the world and it would be a derogation of our duty as human beings if we didn't realise those. And here we have something that has been nothing but a success and has a great deal to offer to others.

Mark Byford: I think as well we don't compete with national and local broadcasters, we compliment them. That's the first thing. All the time as an international broadcaster, we're not there to....

Lord Burns: ...competing with other international broadcasters?

Mark Byford: We're certainly not there to compete head-on with national and local broadcasters. We're there to compliment them. We're not there because the Americans are there, we must be there. We're there because of audience need and because we think we can make a real contribution. When you look at we are the most trusted broadcaster. Research shows that we are providing something very distinctive, a broad international perspective, not a British perspective on international stories but an international perspective that's brought by a British broadcaster, that has a real place. And a trusted broadcaster that can bring different audience groups together through its trusted brand has a massive function in the world of the 21st century. The third is I was really cheered by the research conducted by the DCMS. The British people are very proud of this role. They see that it has an absolute function in the world of the 21st century and that Britain has a place to provide it.

Lord Burns: Okay. Ian?

Ian Ritchie: I think if I can just talk a little bit about perhaps the Middle East. I should say I ran a Middle Eastern broadcaster called MBC for 4 years before I joined the AP and undoubtedly I think one of the major issues is is there any more a global news provider that's going to exist with the technology and to some extent because of the bias – and I think there is an issue here – I'm sure the same research that we all look at is always very stereotypical. We at the AP did some research on Reuters and AFP as opposed to ourselves as a sort of

news provider. One of the worrying things – and this was among foreign editors in Europe – was that they saw people in very stereotypical boxes. They saw the French as Gallic and charming; they saw Reuters as very British and drinking gin and tonic and they saw the American AP as somebody who was in a sports tweed jacket with leather patches and in their mid-50s. No, no I fitted the stereotype really. But the point I'm trying to make is that I think as well in the Middle East, you now, Al Harah (INAUDIBLE), the channel that Patricia was talking about, is undoubtedly seen obviously as state department funded. But I think one of the interesting debates is, as the technology grows and it becomes cheaper and easier to introduce these broadcast channels as seen in the Middle East, as seen in the Arabic world where there's a great proliferation of news channels, in India where there's a huge proliferation of news channels, and undoubtedly more and more there is a great reliability I think on the BBC because of all the standards that was talked about earlier but I think that has to be tempered by a greater ability still for people to want and hear for themselves about their own particular regional requirements. I think, as Mark said, it's not a competitive environment but I think the technology is changing so quickly and the ability to enter the market is much, much cheaper than it used to be as I say when the BBC first started these services that there's going to be a greater and greater proliferation. And I think it is quite difficult therefore sometimes to get a global identity brand. I've no doubt Reese will talk about CNN and how that perhaps is viewed but I think the difficulty is that people are stereotyped and BBC still has that excellent integrity and all the marks that we talked about but will still be I think even more so in the political environment associated with a particular viewpoint. Whether that's fair or unfair, that's the impression that I think might be given.

Lord Burns: Reese?

Reese Schonfield: I speak frankly so, I have friends now working in that area in the Middle East. Al Harah is regarded as a joke. Al Jazeera has a major competitor in Arabia and an even more hideous Al Manar (INAUDIBLE) which is (INAUDIBLE) financed. You've got 3 Arabic language stations in that area serving the people. My friend tells me that the average viewing time now is 6 hours a day in most of the Iraqi homes watching news on television. I don't think a new age... I saw that in your document that you're doing some work in Basra with radio, in the area where the British control you're beginning to build radio stations. I think that's probably wise and significant. You're doing local stuff I assume, which Al Jazeera and the others are not capable of doing. But right now, I do not believe there is any such thing as objective journalism. Objectivity is a two-way street. The television producer, the newspaper must talk to his audience. The audience finds the paper, the television station they agree with. They say ah, that's objective and that's why you have so many papers here in the UK. So given that and given the temperature of the audience in Iraq, I cannot imagine for a minute that another English language news service, even the BBC which I bet a million dollars will be far, far superior to the forest called Al Harah, will find much of an audience in that and I think you have to consider all those things. You know I have heard what Ian said about how cheap it is. I'm not sure how cheap it is but I do know how much oil money there is to spend in the Middle East and I do know that the Hezbollah (INAUDIBLE) channel which is in Lebanon is financed by Iran, the others are financed by Saudi Arabia and the sheikdoms, so that there's a lot of money going into those things. And it isn't like the old days. When Budapest calls, they need your help. They don't have any money. The Arabs came to London years ago, learned from NBE how to do news, learned from the BBC how to set up Al Jazeera and went back home and built their stations and I think we all, all the west were just a small, small voice. I'd like to call your attention to one paper, the paper Information Domination put out by a Lieutenant General working for the US Army right after the first Baghdad war, where he said that information domination was one of the keys to the success of our troops in the first Gulf War, that the Generals who were briefed after the war the Iraqi Generals, asked where they got their information. They said CNN. And that will never happen again. They got their information this war from Al Jazeera and they're still getting it.

Lord Burns: Don?

Don Reading: I'd just like to make a brief remark, although in general I'm keen to talk about the third part of what Mark was mentioning, which was domestic content and international things, but just with regard to the conversation that's been going on. I mean we would see the

World Service in particular but to an extent BBC World as in effect human rights organisations, anti-poverty organisation, environmental protection organisations. Not that that would ever be in their mission but that those things are not possible, progress in those areas is not possible without a free-flow of high quality information. You can ask questions about the shades of objectivity, the perceptions of bias and so on but we're in no doubt that the contribution of the World Service to achieving some of those goals is immense if indirect and unquantifiable. And coming from a group of international NGOs, which is mainly international development organisations, I'd like to balance the discussion about competition, the plurality of providers in an area like the Middle East with the sheer information poverty in large parts of the majority world and the fact that, you know, information from the BBC may be the only reliable information of its type in terms of the sort of international information which people in information-poor areas are able to receive because they can get it through a transistor radio for the cost of a few batteries a week. And I think that remains fundamentally important to the way in which we consider the role of the World Service.

Lord Burns: Okay. I'm happy, I mean there obviously is, there is a financial issue as far as a lot of these services are concerned. I mean not so much with bringing back to the UK what it is that's going on around the world but I think people would see that obviously as something which, you know, the licence fee payer would see as part of what they are paid for if they want to know what is happening elsewhere. But in terms of the services that we are beaming to the rest of the world, you know the issue of what kind of envelope there should be, what is the scale of it, obviously the World Service is funded by the Foreign Office. Patricia raises the issue of what should be happening with BBC World. There is the whole question of the Internet and the resources that go into that in terms of the overseas form. You know what are the limits to the scale of this and what is the sort of process by which you would seek to identify how much of the resources should go into this because in one (INAUDIBLE) it could be an almost open-ended amount if you're going to go into serious competition with the United States.

Mark Byford: I can explain it at its simplest. I'll have a go. Is look at it as we've structured the conversations around global news and then around promoting the best of British talent to the world. In global news, the World Service, the radio service is the 43 language services, as you say Chairman, are funded through what's called a grant-in-air, direct funding through the Foreign Office. The Internet dimensions of the BBC in news and information, both the content that we've versioned specifically for international audiences and the distribution, i.e. if someone's in Kabul or in Los Angeles, well unlikely in Kabul but in Los Angeles or in Cairo and connecting to the BBC's international news websites, whether in Arabic or in English, the distribution of that is paid for through the grant-in-aid as well. So both those are funded through that aspect. BBC World in early 19...well late 1980s and early '90s we wanted to establish an international television news channel on the back of CNN's development. We wanted it at that stage to be publicly funded. I think Patricia may have been well involved in that, or certainly I wasn't but the BBC wanted it so but the government of the day then said it should be commercially funded and we've been down that journey. And the promotion of the best of British creativity and talent through channels, through licensing of programming, that is done through BBC Worldwide in the commercial division and through Mark. Now therefore, if we wanted to expand our radio and online services or develop in the Middle East, we're part of the government's spending review and we put in not only just 3-year plans but we also put in bids. So for instance in the Middle East, in the last spending review, our research actually came from the World Service Consultative Group, which is the independent advisors on the quality and to the governors. They demanded independent research, qualitative research in the Middle East about the standing of the services and the brand and it was very interesting that the, in 7 or 8 countries as I remember, the standing of the brand was that it was the most trusted, even in the context of an Al Jazeera, even in the context of local broadcasting. So I think that the BBC really could offer something that's distinctive and complimentary based on that. We put in the bid that we wanted to do an Arabic television service, not to in any way squeeze local broadcasters but to provide something that a) had a definite audience need and expectation but also was providing something distinctive in the market-place. If we wanted to develop on the Internet, we'd focus on news information. We would put in bids as part of the spending review and then that would be considered by government. And to come

back on World – obviously we're on a journey of making that a commercially profitable proposition and until it comes into profit, investment in it is tight.

Alice Rawsthorn: You have spoken with considerable and entirely justifiable pride about the achievements of the BBC internationally. What would you identify as being the principal challenges and potential problems facing those services? What are the key pressures on them?

Mark Byford: In the context of global news or...

Alice Rawsthorn: No, the context of the BBC's international activities.

Mark Byford: Well firstly in the context of global news, no. 1, the fact that if you think in the United Kingdom we're in a multi-channel age and that audiences are fragmented and they're all on different journeys and different speeds, wait till you see it on the international front because my goodness me, it's a challenge. To say that country we serve with X and that country we serve with Y, if ever you hear that people don't understand how the markets work. An opinion form in Kabul, Hamid Karzai will be watching BBC World. There's a very famous story on the time of 9/11 where the Head of the Africa Service, Joseph Kabila, was on the Internet site getting the latest news from it. King Hassan of Jordan was flying in the air and was connecting to the World Service, in the air and listening to it and turned back during that. So people get these things in different ways depending on different audience groups. And the big challenge for us I think is to have the flexibility and opportunity to develop to meet those audience needs and yet still not abandon FM radio and say well it's all now television and on demand. It's various different delivery systems to meet different audience groups but all under the same values and principles. And the language portfolio has always been changing. It's never stood still and therefore I think get your mindset away from oh if we'd stopped some language services, the World Service is in decline. Actually if you stay with the same language services for the next 20 years I'd be worried because it needs to be adapting to different audience needs, as Patricia says. Time changes and shapes the service. On the commercial front with Mark, I'll let him come in and speak on this, but that is an area where we need focus always on what it should be doing. The notion that you go in and say let's do everything in the broadcasting market and in every place can't be right. It absolutely needs to be focused about promoting the best of British content and talent that a) is enabling that talent and Britain to express its creativity and also brings back revenue, as you say, for the licence payer to invest back in original programming.

Mark Young: I think I'd say - and Jeremy May, who's in the audience, I've got to attribute this to him – is that we've moved quite a long way in the last 8 years from a company that believed it should do everything to a company that has a strategy where it is as important to know what you don't do as it is to know what it is that you are going to do and secondly, to work out whether or not it's best for us to do something alone or whether it's something that we should do in partnership. And I think, you know, the DCI joint venture that we did in 1998 for the joint venture channels and for non-fiction programming was a seismic shift for Worldwide and for the BBC and at roughly the same time we did the Flex Tech joint venture in the UK for UK TV. And that concept that we will join with the best around the world to put our intellectual property rights together with their distribution mechanism or their marketing skills or their advertising skills actually allows us to exponentially grow the business in a way that was never possible when we wanted to do it ourselves. And we've made a start. We've grown our revenue over 6 years from £250 million to £700 million. We've trebled the value that we put back to the BBC, so we now deliver about £140 million a year back to the BBC, which is about £6 per licence fee payer, and our target is to double our profit over the next 18 months. So for us it's a cultural change as much as anything else, working out what it is that we're not going to do and where we are going to do something, working out how best we can do that. And over the last year we've closed a number of the businesses where we didn't feel that we were as effective as we could do and we've opened up new partnerships with people like Penguin for our children's books business, where we identify that we've got strong intellectual property but not the skill of children's book production that you need to maximise the value that you deliver.

Alice Rawsthorn: Can you expand on what you're likely not to be doing in future? You said that you'd already withdrawn from some areas and you were considering withdrawal from others.

Mark Young: We've moved away recently from CD Rom publishing and we've decided to licence that to people who are better placed to do it. We've moved out of children's books. We have looked in the past at video, where we've done a recent joint venture with VCI and we'll continue to look at adult books over the next couple of years and the way in which we can exploit that. And I think also in the area of television channels around the world, as we look at new opportunities to deliver channels like BBC America or BBC Prime in different markets, we'll look at how we can best access those markets and the chances are that we'll be better off doing it in partnership than doing it ourselves.

Lord Burns: Can I raise the issue about, because one of the big themes of all these seminars has been the, you know the changing technology and the whole background, whether it be in terms of numbers of channels, people's ability to access things around the world grown, the Internet, etc. I mean what are the nature and scale of the impacts here? I remember when we used to, you know if you're travelling abroad you'd be struggling around with short-wave radio, trying to find BBC World Service, to find out what the football scores were, you know, and whether everything is was still all right at home, you know. That is a technology which is beginning to fade. I mean you've been moving a lot of your stuff away from the short-wave haven't you?

Mark Byford: It comes a bit into the second session I'm sure as well about audiences and stakeholders but for us within the global news environment, how we look at it is how our audience groups themselves accessing different technologies and what's the market-place in broadcasting maturity that they sit within rather than Australia is advance, Ethiopia is not. It depends on the audience groups within as well. And short-wave still has a place. In fact the majority of our radio listening today is still through that mechanism but it's declining very fast. In fact in the developed world, in the United World and Australia the notion that the World Service must access audiences through short-wave is a joke. We closed it, the distribution, and we invested the money there into advancing our distribution in Afghanistan and the Middle East. And there was a little bit of a row amongst some people that what on earth were we doing closing short-wave to the United States? Well because the vast, vast majority of people were listening to us through public radio on FM. We see now serious declines in short-wave radio, particularly in the developed and developing world, and we know that we have to be on FM in radio in every major conurbation of the world. We have to be in order to be listened. However good the quality is of the content, if the audibility isn't good enough people aren't going to tune in, particularly when you're a compliment to an ever-increasing expansion of local and national channels. So being on FM in every conurbation, massive goal. Television has become the primary source of information within the broadcasting environment, no question about that in all areas of world bar the least developed and some of the developing world where radio is still the primary area, but in most areas, and certainly in major capital cities, that's the way to access our news. The Internet? Well 10 years ago it wasn't there. Half a billion people connected almost a day, by the end of the decade a billion and plus. And that is a very fast growth area for us. We really started to take off at the end of the 90s, producing 8 world class language sites, including English obviously, and we're seeing growth rates there of 100% a years in the take-up of our usage and that will increase over time. So when I said that there's 180 million connecting with the BBC, it's a bit like the BBC and the United Kingdom, the notion that radio will die. Well there's more people listening to radio today in the United Kingdom than there ever were, so people will still be listening to it but the television will have an increasing importance and the net an ever-growing importance in terms of the way people connect with us but they'll be coming to us as different audience groups on that journey in different mature ways.

Reese Schonfield: I wanted to mention one marker, I think a great honour to the BBC. I've saw for the first time a number on how many people watch World on the PSB stations. It's 907,000. If that number is correct, it's more people than view news on Fox News or CNN or MS, NBC or headline news at that hour. And I did a rough in my head computation, if you are on commercial broadcasting, that would probably be worth, that half hour alone, you could

sell that for anywhere between 12 and 20 million dollars depending on the demographics which are not here. Next time you do the service, tell me how old they are. And I don't know if you're aware of this but in the US all four of the networks that I just mentioned have an average age of well over 55, with CNN sometimes topping 60 median age. And the opportunity I guess I would ask, are you considering again trying to get commercial distribution on commercial, for that show, for BBC World?

Mark Byford: We absolutely are. It's a very high priority a) as part of the business plan and b) as part of our extending reach. Obviously that's a very major market for us. It's available through public broadcasting at different segments of the day but what we really want to do is have a 24-hour presence in the United States and we're in discussions now with partners in order to achieve that.

Lord Burns: With advertising or with subscription or whatever?

Mark Byford: Both. With both as a commercially funded proposition but at the moment you have segments within the PBS channel of BBC World, it's also on BBC America at times, but what we really want to do is as a compliment – I stress as a compliment to the 24-hour news channels in the States – but there's a place for it. You know people actually, the evidence shows us that people would welcome that international perspective that we bring that would be a compliment but it's a very tough market in terms of spectrum space and we're working really hard to try and achieve that.

Ian Ritchie: If I may just say something about the overall market and I think we talked about some of the difficulties and Mark was just talking about competitiveness. I think there is to have a one clear statement that is true over the last few years. If you look at most broadcast environments for individual countries or regions, domestic news is always the first and most important, regional is second and international is third. It's always historically been that order. But I think it is fair to say in the last few years because of all the international events that the international element of it has certainly grown substantially. It will always come third but it has grown substantially in importance and I think therefore the market and the appetite for the international news is undoubtedly growing. And again, I think the second point as was raised is that the regional perspective, it is hugely important to regionalise the coverage and that's where you get the interest. Certainly in our experience, you know, if you're talking in India, they're of course very keen to know what's happening in Pakistan and vice versa. And there are many examples of that. So I think it's absolutely fundamental to regionalise it. But I do think the important perspective on all of the discussions is if this was a growing or a declining lack of interest in international news, then you should say that and make it clear but I think however competitive and however much easier it is perhaps to enter the market, there is still an overwhelming and growing wish to know more about international news and to get the sort of high quality, high integrity services that exist. How you fund it and how you make money out of it is maybe another matter but certainly the wish is there.

Reese Schonfield: May I suggest that your international is a very kind word. The opening in America is attitudinal. Since Fox appeared and the other two networks have moved closer and closer to Fox, trying to out-fox Fox, the BBC is seen, mostly, as a very, as a non-biased source and to some perhaps liberal but there are liberals who would agree with that anyway. So that everything I said earlier about being a two-way street leaves the opening for the BBC a mile wide at this point. There is no 24-hour news service that has the attitude that satisfies people of the opinion that I've just described.

Lord Burns: But how far, I mean it raises to me the question if what you're seeing is opinionated news in various places and the world is moving in that direction and if you are then making a case that you wish to have unbiased views and you put the BBC stamp on it, then presumably you don't have to stop at just dealing with international news? I mean you know that if you're in India there is a particular interest in Pakistan and no doubt in some countries there is particular interest in hearing what the BBC have to say about their own country and you kind of become, you begin to, you know if the position then is not so much that you're just giving an international perspective on things but that you are giving a BBC perspective on issues, the content presumably begins to change and you're no longer just

dealing with the sort of very high-level global issues but things which are of a lot of interest to the particular regions that you're concerned and particularly in regions where people worry that they may not be getting unbiased coverage.

Mark Byford: Again it goes back to the audience groups themselves and their overall broadcasting market-place. I mean I'm going to be extreme in this. But the notion that the BBC and the United States, the most mature in terms of broadcasting choice market-place, must be there to give detailed local information in New York to the New Yorkers as a population is ridiculous. That's not its place. Its place in a world of great choice, less diversity than you would expect, is to provide a perspective that is truly distinctive and would have appeal. Now Reese says it would have appeal to a liberal agenda. I would say it has an appeal to an agenda where people are interested in a truly international perspective that is not just necessarily American orientation or of one particular view. It gives you the breadth of agenda and it also gives you, by its trust and expertise, a calibre of journalism that's there that's different. We said India and Pakistan. Well, India and Pakistan have a lot of choice and it's growing. It won't only be international news that you're providing there. You'll be giving a regional perspective as well about South Asia, about the very fact of today, the two leaders coming together, for us to say that well that will be covered by national broadcasters. What we will try and do is set it in an international context and in a regional context. In Afghanistan or in Rwanda, we may be the local broadcaster because there's nothing else. Now some of the work of the World Service Trust, like in Basra, like in Kabul, is to develop local broadcasters, where actually the BBC is helping to build local broadcasting but, while that is not as mature as one would hope it to be, then in those markets the BBC is providing the role of the local or the national broadcaster. And then when those services come up and are maturing, the BBC has got to adapt and change and then compliment with an international dimension but look at it by the audience group and the different market-places. And regionalisation in streaming, I couldn't agree more with with Ian, is in the World Service one of the big things we did at the turn of the century was, instead of everybody receiving the same thing and ignoring the clock let alone regional taste, so at its extreme you're getting a drama at 6 in the morning, well come on, you know. Think of how people are leading their lives and stream it a) to that, to the clock but also be to their particular needs, always rooted on an international perspective but it allows say on the African stream for us to do Focus on Africa and Network Africa in the morning. They aren't local broadcasters. They're actually the only output that brings the whole of the continent together. So that is distinctive and complimentary but it's not wholly international. It's bringing the continent itself as an audience group.

Reese Schonfield: Can I have one word in my own defence? I was not suggesting that the BBC change one bit of its content. The people that I'm talking about who will watch want the BBC attitude about Afghanistan and they want it about every other country in the world, since they don't feel they get that intelligent report or that unbiased report from any of the existing broadcasters. That's your great strength. The Americans have been conditioned to believe that all three of the networks are too liberal and the people I'm talking about all feel that the cable networks are Fox, Fox and sub-Fox, so that there is a large opportunity now to grab the kind of audience you probably always want to grab.

Alice Rawsthorn: I would like to go back to Patricia's historic perspective and particularly to your intriguing reference to the sort of diminution if you like, a slight wobble of the World Service after the Velvet Revolution, the fall of the Berlin Wall. I was very puzzled by that because I would have thought that was exactly the kind of seismic international event at which the World Service should flourish and it had huge wide-ranging implications for structures and cultures throughout Western and Eastern Europe. Was there something particular to the culture, organisation and management of the World Service at the time or was it a sort of cultural failure of the organisation to respond? And critically, how would the BBC prevent that happening again because surely the long-term test of the efficacy of the World Service should be its ability to absolutely rise to such an occasion, as you implied it had done by rallying after 9/11?

Patricia Hodgson: Well, you know, it's lost in the midst of time now but my guess is that there was a World Service which had been very much conditioned by the framework of the Cold War and had seen itself in terms of that, not only in Europe but around the world, and that it

wobbled afterwards. It then spent a period thinking that its main appeal would be to the most needy, Third World. And I remember finding it very hard to get enthusiasm, not so much in the World Service of course but in the domestic BBC, for a global mission that was about the self-confidence of British journalism and what it had to offer in a way that I think Mark now expresses very well. And it took some time for that to regenerate. It took the best part of a decade I think probably. And it was getting back when 9/11 happened, with the result that I think the response subsequently has been speedy and confident. I do think you put your finger on a very important point. I mean I rather hope that the smaller numbers that are here today as a result of there being no great controversy about the role of the BBC overseas. I fear it's part of the fact that anything that is about what's on television tonight here is just so much more grabbing for everybody. And I think your question about how do you ensure that at the heart of the BBC there is the commitment, the support, the knowledge, the interest in its role overseas, both in its public service role and its commercial role, is very important for what you have to say. I'm not sure the BBC has ever got that quite right and it would be interesting what the two Marks have to say about it but I think you certainly need some sort of focused and stronger leadership in terms of its international role and of course that then has to be plugged into the main board so that it doesn't develop a separate life of its own because obviously the BBC must be going in one direction, qua corporation, but that needs quite a bit of thought I think.

Mark Byford: Well I'll have a bit of a go, only in the sense that, I mean Patricia was at the heart of the development of extending choice, the BBC's Charter Review Vision in the 90s, and I've been at the heart of not just that but shaping Building Public Value as well. I hope people would feel confident that in the overall stance and positioning the global role is seen as absolutely core, absolutely core for the future for the BBC. As Deputy Director General with the executive group I obviously have responsibilities for the international journalism as I do for the domestic journalism and in bringing, as Patricia said, the global news division together. That is about recognise its growing importance for Britain and the BBC and in the commercial arm it's about focus, as you say, and then letting that fly with confidence. But I think within the BBC itself, the understanding of it as 'not a nice to have' or 'on the side but interesting' are absolutely core and should be growing, is absolutely taken as read.

Lord Burns: Do I take that, I mean from this that where possible you will in a sense seek to make these services pay for themselves, so that if you're broadcasting into advance countries if possible you would be seeking that they should be commercial services and obviously in those places where it's not available, you know who can't afford the service, to pay, that you have a different approach? And what's going to happen with the Internet? You know are we really going to pour huge amounts of resources into enabling, I mean we get it for free here. We have no adverts on the Internet. Are we really going to continue, where are we going to focus this more and more, well not more and more but we are going to focus it also upon people all around the world and continue to adopt that policy or does that also become a more commercial approach? And I say this also with, there's one other thing I notice and I've got to put this sort of slightly gently but when I find myself in a hotel bedroom in some far-flung part of the world and I come across the, you know and I find there is the BBC channel there and I think well this is wonderful and I turn it on, you know after quite a short while it begins to feel pretty thin. You know you see things that come around, things are repeated, and you know I have a rolling sense of, you know this actually could do with more in the way of content. You know by the time you've watched the same discussion programme three times over the course of a weekend, you know you think my God, this shows all the signs of being on a bit of a shoe string and isn't part of that the whole question of where the resources are going to come from? Because you know I often go, particularly if you're somewhere for 2 or 3 days and you go from that stage of delight to sort of considerable frustration. You know you've watched Hard Talk or whatever it's called for the 4th time. And, as I say, I'm trying to be as delicate as possible.

Reese Schonfield: Have you worked out how many times Larry King is on over the weekend?

Mark Byford: I don't think we're going down a road with the grant-in-aid where we'd say some markets we want to be commercial and some markets we want to be publicly funded.

Actually the grant-in-aid for radio and online, certainly the history of the World Service is it allows itself to be a truly world broadcaster, broadcasting across all markets, and in television, as I say, the facts, the history is that the BBC recognised in the early 90s it had to get into television global news for its standing as a key international journalistic player. It tried for public funding then and it didn't get it. We had to make a judgement, you know, do we go ahead and fund it commercially and that's what it's done. And we are now doing everything we can in order for that to thrive as a commercially funded service. Two things about it one I would absolutely accept and people would say with it that we are on a journey of improving BBC World. I don't think it's weak, no, but I think it can be better and we are doing a lot of editorial work to improve and I think there's definite audience research coming back to show that we're being successful. Part of the thing of continuous news channels by the way is that of course not everybody is watching at the same time. So with Hard Talk and with the news, people say why don't you update it? You've been listening for the last hours, watching, when of course the vast majority of the audience have been there for a couple of minutes and want to get the headlines. So there's a balance with this. The Internet? Well the...

Lord Burns: Very quickly then.

Mark Byford: The international news content is funded by the grant-in-aid public funding and the distribution of international users of the news element of the news site is funded by grant-in-aid. If someone is wanting to get the BBC's broader offer, whether it's the East Enders site, Archers, Radio 2, there's nothing on the site that we use licence payers for to a version for an international audience. Are you with me? We're not creating content specifically for an international audience through the licence fee because obviously that's absolutely geared to a UK audience. And people can connect to the Archers. They can listen to Radio 2 in Singapore or Los Angeles. And if over time the technology allows us to then make sure that they can make a payment for that distribution, we'll definitely look at that. But at the moment we're not doing any extra work on it and the distribution, it's true they do get that free, but for the news, it's paid for through that grant-in-aid mechanism.

Mark Byford: Sorry, Patricia.

Patricia Hodgson: Can I have a crack at complimenting what Mark's just said. I think it's quite important that the news remains rooted in the BBC's idea that it's not a commercial activity, even if in the case of BBC World you're trying to raise some money to pay for it.

Lord Burns: But there are adverts on it.

Patricia Hodgson: There are adverts on it but the reason I say that is you look at where commercial pressures take you in terms of news values and actually you will see then a real contradiction between the idea of the BBC's brand values and what you were saying about impartiality, about international agendas because what people pay for around the world will be Manchester United and, you know, you'll see a difference. So I think that you have to be clear-sighted about that. It was why I mentioned, even if it's outside your terms of reference now and it's for the next time there's a grant-in-aid debate, it needs to be revisited however heroic the attempts are to make it work on a commercial basis. You're absolutely right, it's not good enough. It's not up to the standards we expect from the BBC and it must be because of its importance. I mean what's happening at present I take it is that profits from the commercial channels internationally subsidise the losses on BBC World. Is that how it's done? So that nothing comes back to the licence fee payer.

Mark Byford: It's not covered by any licence fee.

Patricia Hodgson: Well you import then a conflict into how the BBC thinks about its international activities because anybody trying to run the successful entertainment channels around the world is going to say we want the profit back in order to reinvest, to grow, to cover those parts of the world that there are markets that we could exploit and so on. So I think probably there will need to be some greater clarity about this.

Mark Young: The way that we've set it up now over the last year and a half I think is that BBC World has been taken outside of BBC Worldwide, so all of the profit that BBC Worldwide generates, whether it's from international channels, magazines or books, is passed up to the commercial holdings group which then decides the extent to which the funding is required for either BBC World or to go back to the BBC. But we've managed I think now to get a structure which allows the management of Worldwide to maximise the profitability of the non-news operation in a way that we didn't have when World was part of BBC Worldwide.

Patricia Hodgson: It's much better but clearly you wouldn't want passing much of your profits up. You would much rather reinvest them. And if you look at the success of your operations over the last few years, while it's been terrific I'm sure it could be better and there must be aspirations you have for markets you want to get into for kinds of products like children's broadcasting that there's a terrific market around the world you'd like to do more with and I would have thought on behalf of the licence fee payer, let alone Britain's contribution to culture around the world, we should be doing so.

Don Redding: I'm aware we're coming to the end of this session. I just wanted to tack back a little to the conversation about a wobbly in World Service confidence or whatever it was in the 90s. After the wall fell down, the parts of the world that really fell apart were a long way from home and you know the majority world had been divided along with the Cold War system and those countries fell apart. It's when the concept of failed states came about – in places like Afghanistan, Somalia and so on. I remember that period as the World Service being very, very important as a place where those stories, which were not ever going to be on the agendas of developed countries' media, were reported and eventually, as they began to break through, who did you look to for expertise on what was really going on? World Service reporters. Now very recently I think the BBC put out one of the most important television programmes you could aim to put out, which was the Panorama asking whether the first genocide of the 21st century was taking place in Darfur in Sudan. The person who made that report was Hilary Anderson. Someone like Hilary Anderson isn't baked in some oven of a graduate journalism school. She'd been in Africa with the World Service for years and years, based in countries that nobody wanted to know about or hear about but she understands the stories, the people, the issues and where to press the hard questions. And there may be times that confidence dips or wobbles or whatever but the long-term value of nurturing that kind of infrastructure and those kinds of assets in terms of reporters and others is unquestionable for us.

Mark Byford: If I could just say because I think I was there, coming in as the Director of the World Service in '98, about this was that the confidence thing was two-fold. A lot of people thought that the World Service only broadcast to Eastern Europe and that therefore, because of the end of the Cold War, what's the point? And secondly, a kind of complexity of the new broadcasting market-place, all these channels, all the Internet, what's going to happen to that old short-wave radio, does it really have a place and the actual decline in funding by government, give us, give us the mission and give us the big idea and the big idea was we are truly a world broadcaster for the world and it's all rooted in the values. The second is the new technologies may be a threat but they're also a fantastic opportunity. The Internet? We would have loved to have invented it because the notion of a broadcaster that can bring together different communities, I mean what an opportunity for us, and reap that kind of idea was what was needed. And I hope that during the late 90s the kind of confidence that there was this big idea that had as much relevance in the 21st century as it had in 1939 and 1989 go with it, I think we've convinced.

Lord Burns: Okay. We'll have a break and then I will get some observations from the floor, whether they're questions or observations, and then we'll go onto the next topic. I think it has been a useful discussion. I think it's begun to frame the debate of some of the things that come afterwards. There were many people of course who made mistakes about what duplications might be of the ending of the Berlin Wall. When I was in the Treasury there was a great deal of discussion whether this meant that all of our security services could now be dismantled or not, which looking back seems a rather bizarre idea. And I would also point out to you that on BBC World, on the Teletext part of it they only show the Premier League scores

and this has always been a great grouse of mine. But never mind. Let's have a break and we'll come back in 15 minutes. Thank you very much.

(REFRESHMENT BREAK)

Lord Burns: Right, that's my machine. I can't quite turn it off yet, it's doing something, but I will in a moment. I hope that everyone else will turn their machines off. I wanted to, as I say, begin this session by giving those other people a chance to raise some questions. I've got a sort of feeling that I haven't been slightly provocative or challenging enough on this so I'm looking for a bit of challenge from the audience, you know, for this cosy gathering for whom we all agree that everything is just wonderful.

David Lewis, European Broadcasting Union, Geneva: I am one of the people that Britain and the BBC are kindly spending a lot of money to give a broad international perspective. I'm rather worried, thinking of my parents who live in the UK and if they were under 75 they would be paying the licence fee but they do pay taxes, that they are the only people in the world who do not benefit from the broad international perspective that is available on BBC World news and I think this is a great shame and wouldn't it be building value for the British viewer to make available this excellent, if perhaps sometimes thin and repetitive programming, available in the UK? I know there's an advertising problem but can that be got round?

Lord Burns: Okay. Any other questions? Jeremy?

Jeremy Mayhew, Spectrum Strategy: I wanted to pick up a couple of strands. In the first session it was suggested on a couple of occasions that BBC World wasn't good enough and implied that it was, it would anyway be hard to make commercially viable let alone make commercially viable and make good enough. And I'd to hear the view of what the BBC people think about that. But on top of that, even if that is an existing problem, surely the issue of different funding sources for different discreet media is not a sustainable model going forward? It may be sustainable now. It's perfectly understandable there were not a lot of those in the late 80s and 90s as a result of government decisions but as television, broadband and the Internet converge, the sort of existing settlement in which you have public funding for the Internet and for radio with some commercial distribution admittedly, and an attempt to make BBC World commercial doesn't add up surely? And therefore what one needs to think about now in anticipation of the convergence created by technology is a model which makes sense across media and which somehow does stand up to state aid rules and fair trading rules but does have the advantages of both public funding while tapping some commercial revenue. Doesn't that challenge need to be faced rather than evaded?

Lord Burns: Any other questions or statements? No? What about....

Mark Byford: World in the UK.

Lord Burns:World in the UK with advertising?

Mark Byford: Well there's two things on it. Firstly, the, as part of the Charter and agreement and remit of services, the BBC has a continuous news channel in the United Kingdom called News 24. It is different to BBC World obviously in the sense that yesterday for instance News 24 dominant by the Queen's Speech, BBC World dominant by Ukraine and Pakistan. So there are different agendas for different audience groups but the remit for the BBC within the United Kingdom is that it has a continuous news channel for News 24 and we can't show it in the UK. So if people want it to be shown in the UK, we'd have to have that change to enable us to do so. And if it came into the UK, then I think I'd be right in saying that because it's carrying advertising outside of the UK, there's no BBC service that carries advertising within, so that is an issue that would certainly have to be thought through and probably stripped of its advertising within the UK if it ever came in. The second, on the funding, well....

Lord Burns: Why not show some BBC trailers after all?

Mark Byford: But it's not, what I'm saying is we don't do it because we don't, we just haven't thought it through. It's because of the remits of what those services are.

Lord Burns: But we all can listen to the BBC World Service, and insomniacs have to do this. I mean why should radio be treated any differently to television?

Mark Byford: Well because with the World Service, it was available before on 64 medium wave, still is through the South East, but it was mainly geared to Western Europe and it was just that the South East happened to get it. Then digital technology, both the net and digital radio, enabled the World Service to be on as well as the UK-wide and local BBC services. With television, of course we all know from the context of Freeview, the spectrum space, it is pretty tight. It may not be in digital satellite but it certainly is within that....

Lord Burns: For the moment?

Mark Byford: For the moment, I'm just saying but it would have to obviously have its place within that and there would be issues around the advertising. There would be certainly issues about the change of the remit but I can see that from an international perspective, as you're saying, that you want that as well to compliment. It could be considered but it would have to be considered through that. The funding that Jeremy Mayhew brought up is that actually the grant-in-aid is already changing in what it is available for. Originally it was radio. We changed what was called the ambit of the vote, what it could be used for to the Internet. We are putting in a bid from the last spending review, as I say, for an Arabic television operation, which we hope some day we'll be able to do through public funding. We certainly don't think that's a commercial proposition. We tried that in the 90s and 1) for the distribution issues that we had and 2) in viability terms. We think that it absolutely needs to be publicly funded. If it goes ahead we'd like it to be so. So the notion that in the future it's not going to take account of multi-media is quite wrong the grant-in-aid. Within that context, at the moment we are trying to make World thrive as a commercial proposition, i.e. come into profitability and then invest in it, and we obviously have to make calculations in that. You can't just spend money that you don't have any increase as its losses. We would like to invest to make it even better. It is improving but that would have to be considered by government as well as to whether they wanted to not only change such that it had a multi-media ability to fund, you know, aspects within grant-in-aid but also to help fund BBC World.

Lord Burns: Okay. Thanks very much. Alice, would you like to lead us into the next session?

Alice Rawsthorn: Well the next session is to do with the issue of the audience for the BBC's international activities and there are many contentious issues in this, so Terry may get the contention that he's striving for. First of all, who is the BBC's international audience and how is it going to evolve in the future? Critically, and possibly more contentiously, how on earth does the BBC measure that audience and the impact of its programming on them and how is the composition of the audience and the way in which it consumes BBC services likely to change in the future as the balance between online delivery and other forms of delivery change? And then we need to look at the BBC's international activities here in the UK because this is the sort of flip-side of the coin. How does the BBC represent the world outside the UK to its domestic audience here in this country? And this is an area where the BBC came in for criticism in the DCMS's research. People complain that there is less international coverage specifically on BBC News, BBC1 television news, and that international coverage generally was getting marginalised within the BBC's current affairs offering. And issues that have come up in other seminars we've held in the Charter Review process have also alluded to this. In the Nations and Regions Seminar last week, a number of people talked about the sort of disengagement, particularly of ethnic minority groups, from the BBC. Indian communities increasingly watching Indian programming, which thanks to digital advances they can obviously now freely get. The proliferation of more and more foreign channels being freely available in the UK. So just as in decades gone by, people in other countries tuned into BBC Worldwide because they perhaps felt frustrated, continue to feel frustrated, about the type of programming offered to them by their national broadcasters. Conversely, is the BBC in danger of undergoing a similar process here whereby ethnic groups in the UK increasingly turn to foreign language channels because they're not satisfied with the BBC's offering?

Lord Burns: Thanks very much. Do you want to open this?

Mark Byford: And maybe I can bring in as well Nigel Chapman in a moment, who is Director of the World Service, to say a few things as well about audience groups. I mean which audience groups within our global news offer are we trying to reach? If we said we're trying to reach everybody and just hope for the best, that really is very ill-focused. As I said in the first session, what we try and do is segment the market-place by different audience groups and different broadcast maturity areas in the world, such that in the cosmopolitan opinion-formers and decision-makers are one group, aspirants are those of tomorrow, those that will aspire to a global view that will arm them with information to help lead their lives and will probably be the decision-makers of tomorrow. The information poor are people who literally by the broadcast maturity of their own market-place are either starved of information or don't have as good an information offer as they could have. And then there are some groups who are in crisis, in a crisis area where everybody may need the information. In the most developed areas of the world, we think that we're going primarily, we're not going to stop people listening and watching and connecting but primarily we're going for the opinion-formers and decision-makers. We will also want to get those groups in the developing world and least developed world but actually in the least developed for instance we recognise that we've got a larger group than just cosmopolitans who we're trying to reach. We're trying to reach aspirants there as well but also the information-poor, the absolute bulk of the population. So in the developed world, an Australia, a USA, maybe Singapore, it will be tightly focused on trying to reach opinion-formers and decision-makers. We are not going to stop people, as I say, listening who aren't in that group but they are who we're trying to reach. In a place like Rwanda, Afghanistan, Somalia would be a very good example, we're trying to reach a much broader group than that, which is all the population because of the broadcasting choice that they have. How do we measure it? Forgive me...one other thing is, and of course we use different media to attract audience groups, so in the developed world clearly it's a multi-media offer because that's the mature broadcasting market-place that they have. For certain audience groups even in the least developed world, you'll still be wanting to connect with that group through the Internet, television and radio because they're opinion-formers and because they have that broadcasting facility at their behest. How do we measure? We ensure that around 80% of our audiences of that World Service audience are measured every year, independently through independent research, like Rajar (INAUIBLE) happens in Britain and Barb happens in Britain. We are part of partnerships that then contract authoritative but independently commissioned audience research groups to carry out the research on, obviously volume, are you listening and when, which gives us volume figures and share figures and reach figures. And then we ourselves to compliment that conduct an extensive qualitative group researching certain markets about how the brand stands, what people think about the programming, etc. And for BBC World as a commercially funded service, obviously it gets a lot of information geared to advertising as well as to which audience groups we are reaching, that then helps them be able to sell the channel. And on the Internet we used to have great difficulty knowing where people were coming from but there's now new technology that's enabling us to find out whose coming from where, so we do know with the Persian Service that the majority of people may be coming from Iran itself. We don't know who they are but we know where they're coming from.

Lord Burns: Okay. Any other observations?

Don Redding: Yes, I mean I'd like to spend a little bit of time on this because Mark said this morning don't doubt that building global....sorry no, it wasn't this morning, you are quite right. No, Mark said at the start of the session that no one should doubt that the building global value as one of the five purposes was absolutely central to the BBC's future mission. Now you would see from the paper that we've submitted that we do have some doubts at least on the third aspect of that, which was bringing international perspectives to UK audiences through BBC services here. We don't doubt the good intentions and the commitment and even passion of some very good and highly placed people in the BBC but what we don't see is a clear commitment to entrench that over time during the next Charter and that's what we would like to push for, is the adoption of an international strategy which would ensure that those international perspectives, that content and some of that global conversation that we've been hearing about is actually available to audiences in the UK. Now we feel that the BBC's

international news and current affairs is extremely strong. Unlike, as somebody said earlier, we have actually measured that the international content of BBC news, particularly on 1, is not going down. In fact on the 10 o'clock it's gone up to record levels, even higher than Channel 4's, which previously had consistently been the highest.

Lord Burns: Since when?

Don Redding: Since 1975. From 1975-2003 is the data covered by the University of Westminster, but, and in some conversations I've had with BBC people, they say "Well you'll really find the international stuff not in the global value bit but in the informed citizenship but" but then, if you look at the informed citizenship purpose, it's very, very heavily concentrated around news. Now the question for us is what is there beyond news that is being made available to people? And if you look at the non-news factual programming, that has diminished over time and it has diminished as part of a trend which is common to the 5 public service television channels. So that in 2003 the amount of non-news, factual programming on international subjects was the lowest it had been in 14 years of monitoring. That's going back to 1989 to 90. Now we've been in dialogue with the BBC about that and I'd like to thank the BBC for that dialogue and particularly Richard Sambrook who is here for helping to make that possible. Richard will recall that we came sort of 2 years ago to talk to the BBC about our previous set of figures and to accuse the BBC in fact, as I did in the meeting, of not providing a public service in this area, and particularly to say that the big themed programmes that are talked about also in informed citizenship, the sort of theme days or the event landmark-type programming, has been almost entirely domestic in its content focus and we wanted some of that to become more international and also really to complain about BBC2, which we said 2 years ago didn't have a strand or series that was really capable of showing how the majority of the world lived and allowing their lives and experiences and cultures to be exchanged. And I have to say that despite the constructive nature of the dialogue, those factors remain the same today. Our critique is that while the international information is available to UK audiences, it's available primarily through news and the BBC research shows that people don't understand that, particularly when it's dealing with developing countries. Now the BBC run a focus group exercise with the Department for International Development where focus groups were exposed to some of the best of its reporters and some of the best of their reports, trying to bring if you specialised international issues to a lay audience. Evan Davies, the Economics Editor, for instance talking about world trade. Really basically the feedback was they didn't get it. They didn't get the terms used even when the reporters were trying to talk in layman's terms. There must be more material available that allows a greater range and depth of international information to come through to UK audiences, allows them to interact with it so they're part of the global conversation and which doesn't depend on just the odd season. I mean this morning at a separate event the Controller of BBC1 was saying "Well look at next year. Look at what we're doing around our Africa season." That's good but we also want to know what you're doing over the next 10 years, say 2015 when the millennium development goals are supposed to be achieved, to 2016 the end of the next Charter. The only mention in Building Public Value of bringing international information back to UK audiences is actually of bringing it particularly through BBC4. Now I love BBC4. We have argued for BBC4 to become part of the core offering of the BBC but if I'm watching Storyville on BBC4 and my daughter comes down complaining of a poorly tummy, its national viewership rockets. So you know there is a problem there of what are you doing with your mainstream domestic channels and BBC1 is described in the current programme policy as primarily a domestic channel. And that's the biggest audience public service channel. So we would like to see some of the conversations that we've had with the BBC, some of the aspirations which I think some people generally have in the BBC be carried through, be integrated more into programming and not just into where there are documentaries, although I might prize those, but into other genres of programming too. I'm sorry to take a lot of your time but I think it's, we need to register that.

Lord Burns: I think this is for you.

Mark Byford: Okay. There's a few points as well obviously. I'm going to get to about the documentary and wider programme in brief and so in my first answers don't think I'm in any way ignoring it. There is a real challenge for the domestic news services, without explaining

complex issues, that aren't just the UK agenda but also the global agenda. And if we said at the morning's session about supporting the informed democracy, one of the key tenants is about explaining complex issues giving the space, time and expertise. That is absolutely critical about international issues, whether it is Darfur or whether it is global trade. One of the things that we're trying to do now within the global board, which is bringing together the head of the international news services side by side with the head of the domestic news services with the nations and regions head of journalism is the very fact that those three, with the specialist editors, are going to help shape the overall big stories of the year, the big themes, the big issues, the big events, where you don't have an agenda that one is international and one is domestic. Actually you're working out what the big stories are, how we can use different media and different services and expertise and new ways of telling stories to enrich the domestic agenda as much as the international and for the two to get better connected than they've been in the past. The second is obviously there is within the news and current affairs offer, you are right to say that the 10 o'clock news does provide more international news than any other mainstream broadcast offer and we are not going to disinvest from that strategy. We are not going to disinvest from having a distinctive edge of correspondents around the world. Sometimes people say why do you have them? It is not just to be able to work on the international services but to ensure that our UK-wide licence payers are very well informed about the ways of the world. There are things that we know we need to do in terms of wider programming briefs and creativity. For the audience, I should say that over the last year, involving your good self as well, we've had two seminars – one in Kew, one in Cambridge – which is getting the creative heads of the BBC, the decision makers side by side with people to come and discuss what those stories are, how we can work them up into making impact with the channels. Within the overall remit now of the channels themselves, the statements of programme policies, the licence that those channels have, the international dimensions of those and how that should be covered is something that we have to reflect, certainly the governors have to reflect on as well as the programmes.

Lord Burns: What do you think explains this...I mean first of all do you agree about this observation that non-news factual programmes about international events have been in decline and secondly, I mean why, what had been the pressures towards this?

Mark Byford: Well I don't think, to say that there's nothing is simply untrue. To say from your perspective there isn't enough and probably from us are there more that we can do, not just in terms of space...

Lord Burns: That's not enough. I mean the channels has actually been, the amount has been going down...

Mark Byford: ..and more in terms of impact. The very fact of those seminars is helping to shape the decision makers and the creative teams to improve matters from where they were and the Africa season is but a part. It's not the only answer to that but it's a major investment for next year that we hope will not be just looking at the usual fare that you may get on the news but looking at a much wider perspective and deeper. There are things that in the earlier session this morning Jeremy Dear, the Head of the NUJ, said about how he came through sport, you know, and Africa Kicks to find a lot more...I think there are things that we can think of in different genres rather than saying it must be serious, intelligent documentary, that's the only way to come through. It may be drama; it may be sport; it may be documentaries but I would accept that there are things for us to do. And on..

Don Redding: Sorry, Mark, can I press you once more? What about entrenching that within what you, you know, what I found disappointing was the remit. That wasn't entrenched in Building Public Value as far as we could see and I would ask you for some way it would be entrenched that goes beyond the year on year programme policy statements or plans for a particular sort of season.

Mark Byford: Well I think we have made clear in the global value aspect that it isn't just about what we do for audiences outside of the UK but it's also the presence impact and, if you like, stance of the BBC that that presence should be benefiting back licence payers through our services across radio, television and new media. I mean it's stated in it. It's now delivering it

that is the challenge and we need to do that across Radio 4, Radio Five Live as much as we do it across BBC1 and 2. It's absolutely clear that the international dimension of BBC4 has made great strides for that channel. You love it until your daughter's ill but I mean it really does have a very, very strong character of an international aspect. What we would never say is that's fine and BBC1 and 2 don't have to have any of that. We would never say that. We know that there are things there that we can take forward as we've done through the seminars. And in the statement of programme policies and the licence for each channel, it's for the governors themselves to consider what aspects within those licence agreements if you like with the Director of Television and Radio should be stated.

Lord Burns: Ian, I mean do you think, is there an issue here that you can explain why this type of programming may have been in decline? Is there something about people's interests in the world and....

Ian Ritchie: Well I think that the answer, being a sort of more commercial philistine, is that fundamentally the audiences don't want to watch that sort of programme. So Don may have a view which is perfectly proper but I think anybody's research, whether you looked in commercial television or state-funded television around the world, there's a very limited audience market for those sorts of shows. I think you know this is back to this issue about whether BBC, you know, has a balance against ratings and audiences versus public service broadcast requirements. I don't want to get into all of that but, you know, the fact of the matter is that there is a very limited market for this sort of programming. Where there is an advantage obviously is leveraging the BBC assets around the world to make that programming as cost effective as possible and I think it is fair to say that across the various genres and types of the BBC, certainly in my experience over the last few years, there's been a huge improvement in co-operation to maximise those assets and then to translate that into real programming. So therefore the BBC is probably in a uniquely good position to make the type of programming as cost effectively as you can manage it but the fact of the matter is I think that, certainly within a UK audience, you know however good or well-meaning or well put together certain documentaries are of the type that Don's talking about, it's a racing certainty that most of the audience is going to switch to another channel. It's a fact.

Loed Burns: Reese, is this a worldwide pattern?

Reese Schonfield: I have a phrase that I use – bad television drives out good – and the more choices you have with cheap, easy to watch programming, the harder it is to maintain an audience for programming that some of us might think is better but takes more of your mind. And it's almost, there are no documentaries made on commercial television in the United States. PBS is the only documentary producer of any size and even those, they're getting fewer and fewer. It's, I hate to say that it's a dying form. I love it. I did some of it years ago but it's very difficult. But you have Channel 4. This, we all hear this, but if you only moved it to another channel then people would watch it. Perhaps a reason the audience you get on Channel 4 would be the audience that you got on BBC1 or BBC2 and that would be unfortunate and you might try it one time and see what happens.

Mark Byford: I mean we'd absolutely say that there's an expectation and also an interest in those programmes. I mean one of the things we track on what matters to people in the world, in the UK, it's quite interesting that international plays a part because of global of security but part because of globalisation and jobs has increased. So there's something within that that recognised definitely within audience need and there is something as well for us that yes, This World, a fantastic series that's providing lots of international coverage, Crossing Continents on Radio 4, but there's things to which you're saying around the developing world within documentary, how we come through sport drama, that we need to examine and see what we can do more. Then the challenge that Alice said about ethnic minorities and specific language services for them, that is a real challenge for us when we have the World Service providing 43 languages. Are there ways, as well as the English service, to make that offer available to them? Clearly through the Internet, clearly through digital satellite, there are opportunities for those language services to be available to those audience groups. Nigel has done quite a lot around the United Kingdom with those communities to make them more aware of the offer that we have.

Alice Rawsthorn: But it's not simply an issue of language is it? It's also an issue of content. And, as I understand it, a lot of research within those ethnic communities has found that the reason why they are watching foreign language channels is because, not simply because they want to watch a channel in their own language but because they are dissatisfied with the content of the BBC. Are you satisfied that given the changing ethnic composition of Britain, that the BBC's terrestrial coverage has changed sufficiently to reflect that and to meet the needs of those communities?

Mark Byford: I don't think we ever can be satisfied about anything. We're always trying to do better and take account, seriously. So, you know, there's nothing that I'd say we're absolutely bang on with.

Alice Rawsthorn: Okay but on a scale of relatively, are you more or less satisfied with the BBC's performance in that perspective than...

Mark Byford: Higher challenge for the BBC as the audiences in the United Kingdom change and develop, no question about that. Secondly, there are things that we've already responded to. The very fact of making the Asian Network UK-wide available rather than just as it was when I was Director of Regions available in the Midlands is a good thing because it enables those audience groups to have something that connects with their needs and their interests along with the 5 radio networks. Exactly the same with 1 Extra. That has been a response in order to engage those groups that may not necessarily, necessarily find satisfaction with the overall offer that we've had in the past. I was just saying within the aspect you said about the language services and people turning to a specific language, it may be dissatisfaction but it's also to the earlier point of can we make some of the things that were available primarily for international audiences also available to UK audiences. We're trying to do more on that, reaping the opportunity of the digital spectrum.

Nigel Chapman: Could I add a bit more? I mean I was the person who took the BBC's World Service's Internet sites on the grand tour of the UK and it was really fantastic to see the response from people. I mean they, I think they didn't know about it first of all so there was a basic sort of education lesson about the availability of these language sites in Hindi, Urdu, Persian, Arabic, but actually what was really uplifting was the sense that they could keep in touch with their own culture, their own language through them; they could connect with communities, relatives, families back in other parts of the world. So there were some very practical things from their roots and past which we could enhance and reinforce if you like, which they wanted to cling onto. They didn't want to be just communicating always in English. They wanted to be communicating in their own language and to people from the places where they used to live. So I think that's something we can definitely bring. This is a sort of by-product if you like of that grant-in-aid investment in the World Service's operation. The second point I'd make is that, you know, the World Service is like a fantastic intelligence unit for the BBC. I mean you know we, it's like the LSE international strategic (INAUDIBLE) institute, everything all rolled into one. And actually I think one of the things we've got to do is, as Mark was saying, that at every level, not just at the senior level, connect up domestic programme makers with the World Service expertise because it's already paid for that expertise and therefore we can make more of it. And it's been, again it's good to see how much in recent major international stories it's been World Service expertise that's helped the BBC domestic news services in particular understand the story, whether it's been (INAUDIBLE) in you know really the expert on Iran and Afghanistan perhaps in this country actually appearing on BBC World, appearing on BBC1 and so on and even last night, you know, the guy who runs the Ukrainian Service, widely available round the UK, talking about the Ukraine in a way frankly with an intimacy and a knowledge of the Ukraine that frankly would be very, very hard to find anywhere else because these people are actually living and breathing it all the time. So I do think, you know, there is added value if you like that the grant-in-aid funded part of the BBC can bring to the domestic services in that practical way.

Lord Burns: Any observations from....

Reese Schonfield: Can I ask a serious question, forgetting television? Has anyone considered – and I speak from sad experience in the US – the question of whether the foreign

language television should be provided, the use of television as a cultured (INAUDIBLE) medium, where people have thought in English, forced, not giving them the easy way out? Has that been considered here or do people even talk about that?

Alice Rawsthorn: I don't think it would be seen as politically correct.

Reese Schonfield: You don't live in a country where in Miami they say, the shops English spoken here. I offer that as a very serious comment.

Don Redding: I'd just like to make one point about the connection of minority audiences here. I mean it's not just about specialist services or language services. It's actually where are the opportunities for all of us to talk about the one world that we live in. And somewhere where I think this is done very well in BBC services is the Radio 5 morning phone-in. If you listened to those phone-ins during the Iraq War you would hear all sorts of voices coming through and, you know, all sorts of voices which broke down the stereotypes of what people from particular communities or with particular orientations might want to say about the war. And that's one example that makes me feel excited that the global conversation which you talked about helping to create if you like beyond the UK can also happen here. And I still feel that there are misconnections there in terms of the contribution that some of the mainstream services here can make to linking that conversation up.

Mark Byford: I would totally agree and never under-estimate the power of the BBC's regional and local services, speech-led, that are part of the national conversation in bringing different groups together in conversation. You will have that very same experience that you have with Five Live up and down the whole of the United Kingdom through the local debate.

Lord Burns: Any observations from the floor?

Audience Member – No Name Given: It's a little disappointing to hear that Mark should have to rely upon the licence from the governors perhaps to push the international programming issue. The, I think that having heard what was said about the US and the fact that there are no real documentaries being made in the US, does sort of throw into relief the situation we have here, and that is that we're actually paying for a service to make good that sort of short-fall. And I think we look to the creativity of the BBC, which is one of the things which we pride, in order to overcome the difficulties of the audience, which undoubtedly is very real, and to produce international programming to expand everybody's horizon.

Mark Byford: I absolutely accept that. I am absolutely not saying today that it depends on whether the governors say through a licence, I was saying to Don's point about what the mechanisms are that that is one within the mechanisms of the BBC around its statement of programme policies, its licences with government in how you consider these things but let me be absolutely clear that the creative heads, me included within this, are taking this very seriously. The very fact that we've had the seminars with you and others means that we know there are things to do and we're going to do them.

Lord Burns: Okay. Any other points? Right, well let's have a break, 10 minutes, and then we'll come back and we'll do the World Service and I think we might try and wrap up a little bit earlier than we had planned. Thanks very much.

(REFRESHMENT BREAK)

Lord Burns:World Service, although as we know it has already intruded a great deal into our discussions but once again I will ask Alice to offer some challenging questions.

Alice Rawsthorn: Well thank you. Well we have already covered a lot of the ground that was originally designated for this final session. I don't know about you but the BBC World Service for me, however often I listen to it and however much I know that it bears no relation to it, just the name alone conjures Olivia Manning and the Balkan Trilogy and sort of wonderful nostalgic notions of a sort of fine English literary past and I'm afraid the same goes for the British Council. And many of the issues that we need to look at in reference to the BBC World

Service possibly stem from that. I mean as we've alluded to, it's perhaps difficult, particularly for outsiders, to plot and position the World Service given the polyglot funding mechanisms for so many of the BBC's international activities, so it will be very interesting to hear as to whether that imposes internal pressures on the organisation. It will be also interesting to look at whether the funding mechanism for the World Service could and should be changed and also to discuss the geopolitical aspect of the World Service. Is it like the British Council? Is it part of the British government's international activities, so should it fulfil a geopolitical agenda or should it, like the rest of the BBC, be absolutely politically independent? And finally, what sort of world in the future, what sort of international world will the World Service be operating in? We now have the phenomenon, particularly with Al Jazeera, where you have so many other increasingly visible, very high profile, non-English news channels. Obviously CNN has been the honourable American exception for many years and is an English language channel but what does this mean for the World Service and its future? Will its primacy as the leading international news operation be able to survive and how will it respond to the challenges that are thrown up?

Lord Burns: Nigel, do you want to...?

Nigel Chapman: Well some very big and good questions there. I mean I think in some ways, the issue about the funding, I mean as the Director of the World Service I don't feel that the fact that, you know, we're grant-in-aid funded and I'm working alongside colleagues who are working on BBC World, you know (INAUDIBLE) commercial advertising and so on, I don't see that as a particular issue. I mean the funding for the World Service is ring-fenced. It's directed purely at the World Service. There are very tight fair trading protocols between the licence fee funded side and the grant-in-aid funded side. There are very tight, very tight rules about the relationship between editorial activity on BBC World and on BBC World Service, so I don't see it as a particular issue, nor do I feel constrained by it. I don't sense it's you know in any way getting in the way if you like of the way we're conducting the World Service on a day to day basis. I mean moving onto the really big questions you asked about the sense of independence of the World Service, which is what you were driving at in terms of when you compared and contrast us with the British Council, I mean I can say this with absolute confidence, first of all that in the broadcasting agreement that defines the relationship between the World Service and the government, the Foreign Office, the editorial independence of the World Service is there once, twice, many times. It's enshrined in it. It's in black and white and at no point in my time as Director – and I think Mark would say the same thing – that I've ever felt you know any pressure around the editorial agenda of what the World Service did. I mean I think one of the things that the government of this country understands about international broadcasting which perhaps other international governments don't is that the independence of the World Service is one of its greatest calling cards, one of its greatest strengths. There are other international broadcasters who frankly run state editorials, run material which is directly to proselytise a position. The World Service doesn't, never had and, if you go back into the history of the World Service when it was created, Reith understood that in the 1930s and interestingly the government understood it too and that was why it was set up in the way it was. So you know I'm confident, really confident about the issue there's no political interference in the agenda, the running orders, the programmes of the World Service. I don't know whether Mark would like to reinforce that.

Mark Byford: Well I suppose when we've been talking before, Alice, about the World Service being available in the United Kingdom now through digital technology is there a blur in that the licence fee for UK-wide audiences and grant-in-aid for outside the UK, overseas audiences, I think that distinction is quite important in that the World Service first and foremost is geared to an international audience. The fact that the technology allows you to access it and enjoy it because obviously the taxpayers of the United Kingdom pay for it is a good thing but there is a differentiation and, with the licence fee, there is a stake by everybody that pays the £121 in getting the services themselves. So it's not for us to decide that but when I was Director it worked.

Lord Burns: Isn't there a paradox though that if I was to suggest to you that we should fund BBC domestic news and current affairs by a grant-in-aid there would be great upset, there would be extraordinary threat to the independence of the BBC and political interference, etc?

Now obviously in one case we are addressing a different audience. Secondly, the bulk of the content is about the world and therefore rather than our own politicians, and I can see that that makes quite a difference. But is it a big enough difference to be able to draw such a clear line between these two ways of funding?

Mark Byford: I believe it is on two grounds. One, the very fact that it would be subject to spending reviews every 3 years where the BBC is then discussing with government would lessen than what the licence fee brings in everybody having a stake who owns it about the editorial independence of the service. Secondly, I do think myself that everybody having a stake of that £121 that they pay enables a relationship where the BBC absolutely is clear about...

Lord Burns: No, no, I understand that bit but I'm talking about the independence issue. I mean I can see there are lots of other arguments for the licence fee but why, I mean you have to go to the Foreign Office every 3 years or whatever in order to get your grant. You know they could quite easily turn round to you and say "Well look, we don't like the way that you're treating the Iraq War. I mean you're telling the whole world that there is one way which is happening whereas we believe that there are a different set of issues." I mean you've been able to get over that problem when it comes to...

Alice Rawsthorn: So why couldn't the rest of the BBC?

Mark Byford: Well in truth the level of the licence fee still is set not by the BBC but by government but I think that the actual licence fee itself and the very fact that the people of the United Kingdom who own the BBC – and we are truly accountable too – emphasises that relationship and emphasises the independence, i.e. that we're serving the public interest because they own it.

Lord Burns: I don't want to make too much of it. It's just that it's always slightly, I'm just always slightly surprised at, not so much at the argument actually about the licence fee but I'm slightly surprised with the, at the response about how easy it is to deal with the Foreign Office on the issue of the World Service because you know my experience, I mean I was sitting in a position at one stage you know where we were putting all this pressure upon the Foreign Office to spend less on this and no doubt they were doing the same to you and yet somehow an agreement has been....

Mark Byford: Well I think the relationship with the Foreign Office is that if we don't engage with them about the strategy of the World Service and where it needs to go, some of the points Jeremy was making about the opportunities and also the changing market-place and they find something has gone wrong, you know if you just say we get the money and we don't need to tell you anything about where we're going. On the other hand, the notion of discussing content today of news hour at 9 o'clock or how that content should be shaped, they would recognise would absolutely damage the very strength of the service itself, which is its independence from all political and commercial pressure. And when you are a Director of the World Service, you go round quite a lot of different countries where they say "Just try and explain this to me. You're funded by the government and yet you are wholly independent of them." And what is absolutely fundamental in that is that you're part of the BBC and that you are a service that's subject to the BBC Charter, answerable to the governors as trustees of the public interest and you are not actually a broadcaster that is maybe funded and answerable to them. You are absolutely clearly politically and commercially independent and that gets to the absolute credibility of the service and if that was in any way threatened, the service, whatever the technological change, that would be the biggest single factor to decline because people wouldn't trust it.

Lord Burns: Patricia?

Patricia Hodgson: I was only going to say what Mark got round to saying at the end. It's obviously rooted in the power and independence of the domestic services and if it weren't for that there would be difficulties.

Alice Rawsthorn: Could I go quickly back to the issue of political pressure, geopolitical pressure, needn't mean Stalinistic edits to take a political stance on this or that, which you very convincingly explained mercifully doesn't happen. It could also be perhaps a gentle encouragement to encourage you to focus your activities on certain parts of the world, which the Foreign Office has identified as being extremely important for Britain's broader diplomatic and geopolitical agenda. And with the British Council, it's absolutely unambiguous in that certain territories are identified and the British Council is told that it is expected to increase its resources there and expand its activity there. Are you also saying that there's not even a question of this much gentler and arguably less intrusive influence on the World Service?

Mark Byford: I am saying that of course we engage with the Foreign Office and with government about the overall strategy of the World Service. In fact, within the broadcast agreement, we can't open language services or close language services without the agreement of the Foreign Office and the Secretary of State. So the notion that today we just say let's start some language services here or close those, we'd have to have some agreement. And in our overall 3-year strategy we don't just put it in and then never engage. Clearly we're engaged with them about investing in the Middle East and why, what the new technology opportunities are, what the market-place is. Nigel conducts regional reviews involving the Foreign Office on a regular basis about how our services are performing but never, never, never must they influence or determine the content itself. And the pressure from political pressure is not just from the UK government. This is a huge service of influence and impact. It's the leading international news service in the world. So the notion that we have no pressure from anywhere is not true. Of course we do. But the thing is to resist that, not just the UK government but any government or any political party or any pressure group that is shaping our agenda that is not determined by our self because it absolutely comes back to its number one forte which is its independence from any commercial or political pressure.

Lord Burns: Don?

Don Redding: This is just a sort of bubble thing so tell me if it's not relevant but it seems to me that there is a question, a different kind of question about independence and accountability issues, which is that I believe that one of the key questions which other countries, people in other countries, and particularly in what we call the south, are going to be asking now and over the next decade, which is what on earth are you doing to our world? And that's the question that they're going to ask, you know, the G8, the WTO, the OECD and individual countries like Britain. And when they see Britain engaged in a different type of international alliance now, one which they probably don't perceive as being conducive to for instance tackling climate change, you know that there are a lot of real hard questions that are going to serve this within that global conversation that you're going to be engaged in. And I just wonder whether this creates perception issues for the BBC brand. Not that I'm suggesting that your values and integrity don't guard against it but what I'm trying to say is if you are someone who lives in somewhere like Sudan you'd probably value the World Service for years as the one place where you might hear that country's leaders called to account by a journalist. You know they think Robin White runs the UK. Now are they going to be expecting now for the World Service to be the place where the leaders of the UK and other developed countries are going to be properly held to account for the depredations that are having in terms of human rights, the environment and so on?

Lord Burns: Is it because in a sense their perception is somehow part of a northern orthodoxy or consensus about particular styles of living and values that we have?

Don Redding: Well and strong and you know actual de facto instruments that impact on people's lives, like the trade rules. I think we've seen those talks break down.

Nigel Chapman: The fact is that for the moment international leaders are held to account through the World Service. I mean one of the interesting things about the, particularly the development of the Internet and the global conversation is that what really kicked that off in the last sort of 3 or 4 years has been the willingness of quite a lot of the world's leaders to come on and actually be held to account by international audiences. So in the case you're talking about, not only would Sudanese governments be held to account in the Arabic Service

and in the English Service as they cover it around Darfur, the whole development of the country, its economic prospects and so on and so forth, but the wider global issues and the wider global players if you like have every opportunity to come on and be questioned about their role in Darfur, Sudan and everything else. So that's one of the opportunities that's arisen I think by the arrival of the Net which pure linear radio broadcasting has struggled to do. So I think it's an opportunity and I don't think, behind your question is also the supposition that, you know, do they think we're somehow going to be less hard-hitting or less searching in our questions of, you know, leaders in the north against in the south or whatever. I don't think that's the case. And it's interesting that when you look at the audience research about the way they perceive the World Service, I mean they know it's funded by Britain, they know it's from the BBC but they don't make the necessary next link on, which is because it's funded by Britain it must be following a foreign policy agenda associated with Britain. They don't make that link. They've actually rather cleverly in most cases worked out the BBC is independent, you know, it is separate from government and that's one of the things they like about it most.

Lord Burns: Could we move on to the question of which audiences you are targeting in, you know, this whole business about decision makers, opinion formers, aspirants, etc. In a sense everyone has got targeted audiences when you put out programmes but you know how is it that this actually affects decision making? How does this affect editorial policy when you make these decisions about who are the main target audiences in particular?

Mark Byford: Well it shapes the agenda for a kick-off. If you're...and it also shapes what technology you use in order to reach those audience groups. If you are targeting opinion formers and decision makers, you firstly conduct research to see what their expectation and desire of the World Service is and clear with those is those that have an international perspective and want really good, solid, extremely rooted in expertise coverage of international affairs and perspectives and voices. So the service that's going wherever but particularly the English Service, which is geared to opinion formers and decision makers in the developed and developing world, has to fulfil that needs. As I said earlier, it may be that the agenda is reshaped in an information poor area to not just covering international perspectives but also covering the stories of the moment in that particular country because of the porosity of media around them. And in technologies, in the most developed areas of the world, the opinion formers and decision makers increasingly will be accessing the BBC through mobile devices in future and on demand. Whereas for the information poor, the very fact is it could be the radio service and will be for many, many years to come. So you're shaping your offer and its distribution all the time to meet those audience behaviours and expectations.

Nigel Chapman: The other point I think is it's really important for programme makers who are, you know, a long way away from their audience. Unlike in the United Kingdom where the audience is literally round the corner, you know, they are many thousands of miles away from the audience, to have in their mind's eye if you like the sort of people who they want to reach out to is pretty important. There's a risk otherwise that they just, you know, think their opinion to everybody on every issue at all times and as we've I think said earlier on, you know not all media can do all jobs. You know the World Service has jobs to do. BBC World has jobs to do. You're doing your very best to make them complimentary, to align them so that you have a maximum BBC impact, that's the point, a maximum BBC impact from the different media and so not all media are going to do the same job. And the second thing I'd just add, I think one of the answers to the conundrums, it's a very good question, is that language is part of this. And one of the reasons why we talk about cosmopolitans of developed countries is because actually in those countries we are only broadcasting in English, right, so you're going to have a pretty....

Lord Burns: Yes.

Nigel Chapman: ...I mean in order to understand what's going on you're going to have a pretty high understanding of English, right. Now in a developing world and in the poorer parts of the world, you're quite often going to be broadcasting in a language as well as English and that naturally gives you a larger net in which to draw audiences in. So some of it, some of the answer to the question relates to the language you actually broadcast in in the first place.

Lord Burns: But is the, is this type of service going to be under threat over a period of time? And is your instinct that this is something which is going to grow or is it going to decline? We've seen more and more people have access to television around the world. Most of them are getting it by, well a lot of them are getting it by satellite. They therefore have the ability themselves to, you know, to get their news where they want to and to choose. I mean presumably at some stage they'll be able to watch our own domestic programmes if they wanted to. Is a radio/Internet offering going to, against the competition from both other media and other suppliers of news, and presumably we will see more coming from within people's own countries, is that not going to become a problem over time? I mean I know radio here in a sense maintains its position and one of the things that has come out of our conversations is that radio has had a pretty good run in recent years but is that going to remain the same as far as international broadcasting is concerned?

Nigel Chapman: Well I think it depends where you talk about in the world really. I mean it's quite interesting, let's take a case like Iraq. I mean at the moment despite all the evidence of a lot of people watching Al Jazeera in Iraq, there's also about a quarter of the population listening to the World Service every week, so it's not a tiny number. I mean it's a significant base on which to build. Now the bigger question is what would be the role of television in this mix really, the issue? And some of our competitors definitely – Deutsche Veller (INAUDIBLE), RFI, I think Deutsche Veller are already doing it – are doing some television operations in vernacular language as well as in German and I think it does raise some questions for us. And I think we're going to have to go away and think very hard about that. And I think the proposition to launch a 24-hour Arabic Service, which we are in discussion with the Foreign Office now – is kind of the beginning of I suspect a wider discussion about the balance between television, radio and online over time because I think the supposition that it will be hard to maintain the volume audience without some investment in television I think is fair but you then have to think a bit more about the specific groups. You can still have success by having high penetration in relatively small groups. So it, I'm sorry it's quite a long-winded answer. It's a really difficult question. It's like a Rubik's Cube you're working here.

Lord Burns: One of the charts here, you know in the thing, Page 37, I mean does, for the last 4 years there has been some decline in the weekly global radio audience from 153 down to 146 million.

Mark Byford: I would say the challenge is massive.

Lord Burns: I mean isn't this, the pressure is going to be all in this direction?

Mark Byford: The challenge is massive because of more services being offered. If you see it in the United Kingdom, wait till you see it within you know a global perspective. More services which means it's harder to reach those people that you want to reach and you've got to be even more focused on the offer you have. The interesting thing behind those figures, Chairman, is that actually the FM audience is growing and growing significantly and the shortwave audience is going down. So if the World Service stands still and says "Let's remain as a shortwave broadcaster" believe me the decline is going to be very, very traumatic. If it recognises that it is but has to be even faster and fleet of foot about getting its audibility into a higher quality through (INAUDIBLE) and other devices, it can thrive because radio in the States, here, in the most developed world, it stays because of its mobility, companionship and its strength. So the notion that radio dies is not true. The notion that a broadcaster in a world of choice provides low audibility, it won't work. So I think there are huge challenges a) by the explosion in choice and b) something that we talked about this morning as well, is about different types of news and what's delivered. For the BBC to thrive, it's got to be absolutely clear about which audience groups it's going for and then serving them with the technology that they expect us to be delivering to them. So if you are somebody that is using the PDA and using the mobile, we have to think hard about how we can use that as much as the person in Kabul or outside of Kabul listening on shortwave. The second is in content terms we have to all the time be asking ourselves as that market changes and adapts, what is it that we offer that is truly distinctive and appreciated by the audience such that they'll still come? Clearly the Internet offers a massive opportunity that we're already reaping and I think the whole notion of us having a multi-media opportunity through the grant-in-aid and then to mix

and match the offers dependent on audience need and also how audiences use the media will still be the recipe for success.

Alice Rawsthorn: You've spoken very persuasively today, Mark, at various points about how opinionated television is going to become increasingly common for news and current affairs. Isn't this much more of an editorial challenge for international programming where you have a far less homogenous audience, it's much more difficult for people to recognise inflection, wit, subtlety?

Mark Byford: Yes, I think it is but I think what we said about the UK services is as important if not even more about our international services. They are rooted in principles that are completely non-negotiable for the BBC. Truth and accuracy, impartiality, that means a diversity of opinion. It means a range of opinion and being open to different ideas. So when Don was asking about will you help those voices within the coverage of X on a journey to the G8, absolutely we must and should in order to fulfil a kind of mission if you like that being impartial is about a range of voices and being open to different ideas. So those principles are absolutely critically. Whatever age of broadcasting, whatever distribution, we have to hold firm to them, even though market pressures in different areas may be wanting to take you down another road in order to compete. I think that's the absolute route and distinctive edge for us.

Lord Burns: Any other, does anybody have any points you want to raise on this, otherwise I'm proposing that we have a quick final round and people have their last remarks and we'll wrap it up?

Maria Elisa: Thank you. My name is Maria Elisa and I'm the Cultural Attaché of the Portuguese Embassy but my background is as a TV journalist and presenter and also as a Programme Director of the two Portuguese public channels. And as a foreigner I think I have a quite different overall view. I live in Britain now for a couple of months and I think, as I used to think before, that the BBC provides in general terms a very, very good news service, quite well balanced between the domestic and the international agenda, with an expertise that this gentleman pointed mainly in the international agenda that I think has no parallel in any other national television that I know. I think British people don't notice it anymore, as I wouldn't notice the weather in Portugal because it has been all there since I was born. And as for the international role of the BBC, of course there is always room to improve, as you said Mark, but again I would say that the number of times that some programmes are repeated, as Lord Burns pointed, and I have the same problem when I arrived at a hotel all over the world, it would be the same in international Spanish television, in the Portuguese international television, in the French international service because the international services always have this rising funding problem, which is very, very difficult to settle. So I think I'm much more optimistic about all this than you English people are.

Lord Burns: Any other points?

Reese Schonfield: Could I have a chance for just a minute. There are two things I'd like, one is the clarification. When I said networks didn't produce documentaries, I was talking about broadcast networks. There are still cable networks in the US that do produce documentaries – Discovery, History, New York Times Discovery – but they are all made much more cheaply since that's all the audience can afford and that probably unfortunately is the future of documentaries will be cable because that's the kind of audience that it seeks. Second, we haven't mentioned at all the BBC World Service Trust and I've just become acquainted with that. I've been writing; I've been talking with them about it and I think it's a magnificent enterprise. I think its work, at least from what I've seen, I've read a couple of scripts and talked with them about it. Did someone want to describe what the BBC Trust is....

Mark Byford: The Chairman of the Trust is sitting next to you.

Nigel Chapman: These, the World Service Trust was founded in '99 and its basic purpose is to use media to aid development in the poorest parts of the world, and by use media I mean essentially to work with local and national broadcasters to improve education, to bring

information on health, HIV/Aids, and also – and this has been one of the most core purposes – right from the beginning, even before the Trust was even established, the BBC has been doing it through the 1990s, to help to train journalists and to improve craft standards if you like in local and national broadcasters. And it's from a small acorn it's grown to quite a large tree now in terms of its income and in terms of its impact. And it's been very wonderful to see it.

Reese Schonfield: It introduces themes into entertainment programmes that I listen to and radio and sometimes widely viewed on television, some of the things you're involved with. They can even introduce a theme like democracy and they've done that in Nigeria and I think the work is just terrific and I think everybody here could be congratulated for that. And finally, we've got a lot of people to thank, thank you Lisa, but a lot of people are knocking the quality of the BBC World Service and I realise that you probably know better than I to answer this question, how many people in this room think CNN international offers better channel vision on a 24-hour basis than the World Service does? Anybody? You can only do what you can afford and if CNN, a company that makes \$250 million a year is satisfied with the international service, then perhaps the BBC can be satisfied at least at the start with the current World Service.

Lord Burns: Well I started this about the world of television and I realise I'm being grossly unfair because what I'm expecting is that I should have a service, to have a service tailored to somebody from the UK who's travelling is rather different from having a service which is tailored for the regions to which it's actually being broadcast. So that I accept that.

Alice Rawsthorn: Or in your case a QPR fan who is travelling!

Lord Burns: No rubbing in this particular problem. Can I just have some closing remarks please? Don, having heard the conversation, is there anything more that you want to say?

Don Redding: No. I think as I've said, I think that you know I'd agree with what Mark said to begin with, that the provision of high quality, impartial information internationally is going to be more important or less important. I think there are other divides in the world than the ones between the Middle East and elsewhere or within the Middle East, etc. There is a very polarising area of the world at the moment but there are other divides that I think I've hinted at and you know I think the BBC is to be congratulated on what it does internationally. I'd have to say that, you know, we're still not convinced that the vision for the way that international content seeps into and is integrated within mainstream programming in the UK has yet arrived or that it would at this point out-last particular individuals and be entrenched in the way the BBC works under the next Charter. That's still a dialogue and a conversation that I hope will go on.

Lord Burns: Okay. Patricia?

Patricia Hodgson: We've heard terrific admiration for the World Service and indeed all the international news effort which is obviously very well deserved. I have no worries about commitment inside or outside the BBC to any of that in the current international environment. As I began by saying, I would like to see a strong commitment as well to the BBC's overseas commercial services. There is a great deal to be achieved there, not just in terms of the commercial return but also in terms of a broader cultural contribution to the world, and I very much hope the BBC will think about how support for that is entrenched by structures at the centre of the BBC both managerially and on the Board.

Lord Burns: Okay. Ian?

Ian Ritchie: I mean just two points. I think the international news agenda is growing and will continue to grow and therefore it's vital that the BBC continues to play an important part in that. The second thing is that if you've got a fragmented market-place that's going to have multiple channels, then the brand becomes even more important in that. I think it's well known philosophy that you know you need to be the most significant brand and I think the BBC has the tradition and the brand in order to see out all the challenges that maybe exist, which may

be short-term, and some will fall by the wayside, so I think in that sort of agenda I think therefore it's vital that the BBC continues to play the role that it does.

Lord Burns: Reese, do you have anything else to say?

Reese Schonfield: Unfortunately, being an aggressive American, I....

Lord Burns: You've made your remarks already. That's fine. Nigel?

Nigel Chapman: All I would say, I would echo what has been said earlier on, that you know the world is changing very fast. The need is there. I agree with Patricia. I mean I think 9/11 was a turning point and since it's been seen as a turning point, so I think you know when I go round the world I sense a real strong hunger to try and make sense of big global ideas. People feel that now in the way they didn't even you know in the year 2000. But having said that, they've got the hunger but we've then got to deliver effective services and that's against a backdrop of terrific competition just in the sheer growth of media, not necessarily doing the same thing as us but just cluttering up the whole landscape and being, you know, very cognoscente of the opportunities that technology gives us and then being cognoscente again of how we project the BBC as a whole into markets. I mean you know in the end the other thing they say to me is "It's the BBC isn't it?" You know we go through all these internal divisions but they think it's the BBC isn't it and therefore how World and World Service and Online all work together whilst respecting all the differences about funding and all the arrangements. That's very important to project a coherent picture to viewers, listeners, users because we owe it to them to make it easy for them to access and to understand that and to use whatever service is relevant to them.

Reese Schonfield: Could I...

Lord Burns: Yes, yes, you want a go.

Reese Schonfield: I just want to say something. We talked about the end of the Cold War and news interest dropped all over the world but it would fulfil us anymore. We hadn't been taught to scare anyone yet. We'd been taught to be afraid of the Communists. We now are scared once again these guys are going to get us and so news viewing goes up and it will go and go and you know you tell somebody you'd better watch the news tonight because it'll tell you how not to be killed tomorrow, people will watch the news.

Lord Burns: Well that wasn't quite the note I'd hoped to finish this conversation but Mark.

Mark Byford: Well 1) I think the role is more important than ever. I think secondly, in news there will be pressures and competitive changes that mean we always have to adapt and be fleet of foot but stay absolutely true to your principles. I'm with Patricia that we are absolutely clear that there is that huge role of exporting the best of creativity and talent to the world but it should be even more rather than less. And thirdly, I hope today I do take on board some of the points made about more we can do within the domestic services from the very impact that we make globally to take forward. Last, quickly, when I was Director of World Service there was one thing that will stay with me for the rest of my life. When I was in a taxi in Sydney coming off the airport and I was travelling into the centre of the city and the taxi driver had the BBC on. And I said "Good grief, you're listening to the BBC. Well done, mate." And it was through ABC Radio and it was News Hour. And he said "BBC man everyday. BBC." I said "You don't sound very Australian to me. Where are you from?" He said "I'm from Mogadishu." I said "You're from Mogadishu and you're in Sydney?" He said "Yes, I had to flee and my brother's in New York and my other's in London but BBC every day." I said "Well in Bush House they tell me that in Mogadishu life stops when they tune in the BBC. What a pity you can't hear the Somali Service but at least you can hear BBC News Hour through ABC. Well done." He went "Oh no, no, no. Every night in my flat me and my friends, we all come round, click on the Internet and we listen to the Somali Service." And I thought the world is changing very, very fast and we've got to adapt to it.

Lord Burns: Okay. Very good. Alice?

Alice Rawsthorn: Well it seems impossible to follow that. A cheering story and a great ending.

Lord Burns: Well thank you, a better ending than the previous one. Thank you all very much and thank you for the paper, which I thought set out all the issues very clearly. Thank you all very much. For those who have been here all day, congratulations at having survived and no doubt see some of you again. Thank you very much.