

BBC CHARTER REVIEW SEMINAR – 20th July 2004
The BBC's Public Purposes

Secretary of State, Tessa Jowell, launches 'What you said about the BBC', a summary of consultation and research findings

Tessa Jowell: Well good morning everybody and welcome to the department. And I am delighted that you've all been willing and able to give up your time this morning to come and take part in the first of Terry Burns' seminars on Charter Review. And before we kick off, I want to make it absolutely clear that I'm not here as part of that part of the process and I am really taking advantage by sort of freeloading on the first half-hour and taking very particular, ruthless advantage of Terry's pulling power. But what I want to talk to you about briefly is the response to the public consultation on the review of the BBC's Charter and I mean we have a mixed and varied audience here today but I know that we'd all very particularly like to welcome Mark in his not so, not so new role actually but...

Mark Thompson: 4 weeks, Tessa. I've nearly cracked it now.

Tessa Jowell: You've nearly cracked. You'll be moving on. Anyway, thank you very much indeed and I think we have the big if you like sort of external focus on the BBC as part of Charter Review but, you know, since Michael and now Mark have been in post, they've also announced a series of internal reviews of the commercial services and also of the production base. But let me – you'll have more of that later – let me focus very particularly on why we're here at 9 o'clock rather than later and how we got here. Back in December at the end of last year, we asked people, the public more widely what they thought about the BBC, taking it right back to first principles and the process of Charter Review, which we launched then with the first ever public consultation, was to start with a clean sheet of paper but subject to one certain outcome, which was that, you know, we don't know at this point, you know, how the BBC will be configured as a result of Charter Review. The only certain outcome is that we will have a strong BBC which is independent of government and that is a theme which is, for those of you who had time to read the responses to the consultation, it is a theme which resonates throughout the responses. So we asked people what they liked about the BBC, what they disliked, how it should be run, how it should be regulated and how it should be funded and ultimately what its purpose is. And I mean unusually, I mean surprisingly I mean this is the first time that people have been consulted at such a very early stage in Charter Review. In the past governments have tended to move straight to a Green Paper setting out, you know, interim and sometimes pretty final conclusions about the nature and structure of the BBC. This time we wanted to engage members of the public in the process from the outset. So we launched a public consultation and leaflets, and invitations to take part, you know, have gone everywhere. And that was supplemented by a programme of survey research to give us a more, what we could validate as a representative picture of people's views. And I think that the response to the consultation has been extraordinarily high, certainly judged by the standards of consultation to most government initiated consultations - more than 5,000 written responses which reflected a very wide range of views. Some of the respondents are in the audience today, so a special welcome is extended to them. In addition to the written responses, the consultation generated 25,000 unique visitors to the Charter Review website. So our research, together with a series of visits that Andrew Macintosh and I made round the country, and the two special events that we had for children took in the views of many more than those who responded more formally. So we are today publishing the summary of all that and I think the problem with a summary is that it just can't get across the full sharpness and, you know, the pungency of individual responses or the breadth, the sheer breadth of view, and that's why we have published all those responses, except a very specific handful where people specifically asked us not to. So everything that people told us is available for those of you who want to spend time reading it. All the research is on the website but what I'd like to do in just a few moments is to highlight some of the headline themes. The BBC is by and large highly valued by the public with a 75% satisfaction rating as a trusted source of impartial and accurate news and information about current affairs. People see it as having an important role in learning and very particularly and expressly in supporting an informed democracy, representing the people and communities of the whole UK, regional

television, regional radio - incredibly important to people – promoting our cultural heritage and infrastructure and promoting a window on the wider outside world. Now, although satisfaction levels remain high, most people do have some things about the BBC that they would like to change. For example lots of people, but not everyone, perceive a decline in TV quality – a finding that was echoed in the Phase 1 report of Ofcom's review of public service television. There is also a related debate about the extent to which BBC programming is truly distinctive to that of other broadcasters, indeed the extent to which it should be truly distinctive, and I am sure that everybody here today is by now very familiar with I think widespread concerns about copycat programming and the effect that an overriding focus on audience share might have on quality and range. On a different topic, lots of people are not wholly convinced that the BBC really does listen to its viewers and listeners and take their views into account and would like to see it becoming more directly accountable to the public. And in that context most people – and you know perhaps we should take some reassurance about this – are completely in the dark as to how the BBC is governed and regulated. Those who do have a view among the public and the media industry think there's a need for change, although the jury is out on precisely what form it should take. In this context we also found – now this is the bit at which you fall off your chairs – we also found that the public do not want politicians of any persuasion to run the BBC and I suspect that no one will be surprised by that. It takes me back to I think it was the 1947 Charter Review where there was a proposition that there might be a Minister for Broadcasting in the Cabinet, who would have the right of veto over the programmes that the BBC showed. So we've made some progress since then. People believe that the BBC should keep up-to-date with developments in new technology and should be a lead partner in the new markets. And this is obviously particularly relevant as we make the journey towards switchover from analogue to digital broadcasting. But there was also strong opinion, and voiced particularly by industry respondents, that the BBC should not assume automatic rights to colonise every new platform and market that might emerge. On paying for the BBC, the licence fee was widely considered to be the best or rather, I think to put it more fairly, the least worst method for the time being, although questions were raised about how it's set, collected, distributed and about its fairness. Support, although widespread, is by no means universal and this is an issue which is becoming more salient with differential access to freeview. People feeling that some people, you know, can get these extra services free-of-charge except for the cost of plugging in a box while other licence fee payers at the moment can't get freeview. So apart from a strong and independent BBC, all the rest is up for discussion and I hope that the views that we've gathered during the public consultation phase can be fed in to Terry and his panel's deliberations. And I'm quite sure that the BBC will also take serious account of what people have said as you, Mark, and colleagues go on to develop better public value. And of course all this links to the Ofcom work on the second stage of the review of public service television - the Big Picture, full digital switchover and so forth. So I would like to place on record, Terry, how very grateful I am to you and all your assembled Panel members and I would again like to reiterate my thanks to all of you for coming today. I mean the process, and indeed the idea and the process for these informed seminars, is very much Terry's and I think will be an excellent opportunity to explore in much, much more detail, get under the surface of some of the headlines that the public consultation has identified. But what I am keen to ensure is that, as we move through this process of Charter Review, it's a transparent process, hence our decision however, you know, uncomfortable it may be to publish all the research material and that we can at least show in everything we do our willingness to engage a real sense of ownership between us in government and the BBC and the wider public in the process because it is important that people who pay the licence fee feel that the BBC is their BBC and that they can reclaim that sense of ownership. Now the findings of this seminar, and indeed the series that will follow, will narrow down into options for a Green Paper, which will be published in the early part of next year and, in the way of these things, will be subject to further consultation, and we are not yet at a point of having any clear view at all about the extent to which the Green Paper will shut down a number of the options and decisions about the BBC. That really rests on the process which is about to begin today. So we want this to be an open process. We want this to act as a catalyst for a continuing public debate about what is one of our most important public institutions. And thank you for giving your time to take part in it and we hope that your enthusiasm will continue to be matched by the level of engagement from people out there whose lives every day are affected by what the BBC has to offer. Thank you Terry.

Terry Burns: Thank you, Tessa. We have 5 or 10 minutes if anyone would like to ask the Secretary of State any questions about this.

Tessa Jowell: You may not.

Terry Burns: Maybe no one is surprised. Maybe no one is surprised at all.

Tessa Jowell: Not obligatory, in which case I'll take my cup of tea and leave you to it.

Audience member (male): What objections do you see to the BBC occupying any new platforms, which may emerge?

Tessa Jowell: I'm, I'm reflecting the result of the consultation.

Audience member: No, I'm asking you what objections do you see?

Tessa Jowell: To the BBC occupying any new...? I see no objection to the BBC occupying any new platform.

Audience member: Thank you. (INAUDIBLE)

Tessa Jowell: Ah right, okay.

Second Audience member: My first question is about the constitution of your panel here and looking through the CVs of the members of the panel, they all seem to be media people or have backgrounds in the media and there doesn't seem to be any if you like "common" persons.

Tessa Jowell: Well to spare the blushes of these uncommon people round the table here, I mean we have had something like 25,000 voices already through as unique visitors to the website and 5,000 people have responded to the consultation, of whom about 500 I think were industry responses. And, you know, there will be plenty more opportunity for 'real' people, as you may prefer to describe them, to take part in this process.

Second Audience member: (INAUDIBLE) ...and there seems to me to be some contradiction in the fact that, as it says behind you, it's your BBC, in other words the public's BBC, and yet what the public has said through this consultation exercise isn't necessarily the final word of what should happen. Then you've said that the thing is still open but surely the fact that the public wants certain things and you've said it strongly indicated certain things, that should close down the (INAUDIBLE), that they should already be closed down to some extent because that's what the public, the people who own the BBC, say that they want.

Tessa Jowell: Well I think that if you read the consultation responses, people have expressed views rather than given propositions and, you know, this process is in part about, you know, interrogating and analysing those views but also about translating, you know, that very wide range of views into propositions that, on which the BBC for the next 10 years can be built.

Second Audience member: You mentioned a couple of times, you said the only certain outcome would be a stronger BBC and then the government, you said that that's a kind of given, that everything else (INAUDIBLE) but I am not personally satisfied about it, so could you point me towards anything that would reassure me about it?

Tessa Jowell: Well the independence of this process with Terry Burns as the Independent Advisor to the process of Charter Review, I think also, I mean I hope the degree of openness in this process and I mean quite frankly a recognition by me, as the Secretary of State responsible, and the government more widely that it is in, you know, the broader national and public interest that the BBC is independent.

Second Audience member: (INAUDIBLE) Are you saying that this, the department are strong and the BBC, the rest is up for discussion, so in a way it seems to me that, it's of great concern to me that the BBC isn't in fact as independent as it holds itself. You know we can believe what we like about ourselves but it may or may not be true so for me, I've come along because I'm actually very interested in how the BBC can be made to, made to be and known to be....

Tessa Jowell: I mean do you think, do you think others are sort of constitutional aspects of the BBC or are they operational aspects of the BBC?

Second Audience member: (INAUDIBLE)

Tessa Jowell: Sure. Well I think you should take this opportunity in that case perhaps to formulate your views and some proposals and I mean I'll be very interested in what you have to say and in what, you know, comes from the discussion today and I mean but this is, this is an extraordinarily important objective of this process of Charter Review. And I mean let me perhaps answer, deal with the point under your question, which is that I mean I've read all the Charter Review reports since the BBC was first established. There are always periods where the BBC and the government get locked in anything from turbulence to, you know, outright hostility. The BBC has always been strong enough to withstand that and it is in the wider public interest, which any government exists to serve, that the BBC continues to be so. And so I, there is a willingness there – I mean let me assure you of that – to make sure that this is the outcome and absolute determination to make sure that that is the outcome. And I'm, you know, pretty confident that that's the point that we will get to. If you have some very specific concerns about the BBC's lack of independence in the areas that I've already touched on, then you must tell us. Okay.

Third Audience Member: Could I ask why the subject for discussion today has changed from governance to BBC building value? The reason I ask is because it seems to me that your department has given the agenda to the BBC by taking that up and discussing it, so I'm quite interested in why the subject change?

Tessa Jowell: Do you want to...?

Third Audience Member: Yes, maybe I can answer that because I was involved in drawing up the timetable. The first, two things happened. The first was that we were, there were only 2 or 3 dates that we could have these first 2 seminars before the summer break and Michael Grade wasn't able to attend either of them and we thought it was very important, if we were going to have a discussion on governance, that Michael Grade should be here. So we had to slightly change the format. And secondly, we came to the view that in terms of the logical starting point to all of this was to actually go through purpose and then funding and then governance and, you know, after we had further reflected on it and looked at the various documents that we had had. But it is not, it by no means means that we're starting in a sense with the BBC's document as a starting point and indeed the papers that we have circulated, you know, we're also looking, we have circulated the existing Charter, what it is that the Communications Act says, what it is that the first stages of the Ofcom PSB Review is. But, you know, so it was partly a matter of in a sense availability of people and it was partly a rethink about the timetable and I have to say it was not DCMS who made that decision, it was me.

Third Audience Member: Do you recognise again that there is (INAUDIBLE) given the agenda to the BBC rather than starting with a blank piece of paper and inviting comments through the process?

Terry Burns: No, I don't actually. I think that the, I felt that on reflection – and as I say having been through a lot of the documents – that the right way of doing this was to start with overall purpose and then to move on to funding and governance. But it was also partly, as I say for, it was driven. I was forced to reconsider this partly because of timetable and availability of people.

Third Audience Member: Can I ask how representative of your 5,000 replies and 25,000 or whatever that's on the website is the wide British society because my feeling is (INAUDIBLE)

Tessa Jowell: I think I'd ask Andrew. Would you like to just reflect on that?

Andrew Ramsay: The simple answer is that the main themes coming out of the consultation are reflected in the details of (INAUDIBLE) and I think it probably does reflect pretty well. It's quite a large number for an analysis (INAUDIBLE)

Tessa Jowell: Yes?

Third Audience Member: I read quite a lot of the 5,000 responses and of course it's an overwhelming task to read them all, an impossible task. And in looking out for it, for me anyway, if significant statements or suggestions could be put together for each topic so that one hasn't had to go through the entire submissions to find out what the (INAUDIBLE) and thereafter to open up each of these topics by introducing the comments made by the 5,000 respondents and inviting comments again.

Tessa Jowell: Well I'm not sure we can completely meet that specification but this I hope you will find goes some way to providing the kind of overview that you are asking for and there is also an analysis of the responses as well, which is being done by some qualitative researchers.

Andrew Ramsay: Yes, there's a document which will be on the Internet today summarising the consultations.

Tessa Jowell: Okay. I'll leave you to it. Thank you all very much indeed. Thank you.

Chair's Opening Remarks

Terry Burns: Well thank you very much, Tessa, for launching the Report. What you said about the BBC, which I think, as you say, is a useful contribution to the debate and I think it is important as we go through these seminars that we do very much keep in mind what it is that people have said from this first stage of the consultation. Today is the first in the series of seminars, which we are planning to run throughout the autumn, and they provide, we hope, a forum for the independent panel on Charter Review, many of whom are here today, to try and make sure that all of the arguments are heard, that they provide an opportunity to draw out some of the key issues, to test the evidence and to enable to see an exchange of views. The work is planned to try to help to inform and to shape the government's thinking as we move towards the Green Paper in the New Year. The format of these inevitably is to some extent an experiment and we will have to fine-tune them as we go along but the aim very much is to provide a forum for discussion, to try to test some of the arguments. There are members of the, most of them in fact member of panel are here today. Tim Gardham, Hal Davies, Alice Rawsthorn, Janet Finch and Sly Bailey. I think in response to the earlier question, I think the majority of us are actually people that I would not define as being the media world at all. Certainly I don't describe, I would describe myself at times as a victim of the media world but not as a member of the media. And in order to have this probing debate on what the BBC is for, we have of course invited a number of distinguished participants who do have some experience of this world – Patricia Hodgson, Simon Jenkins, Philip Graff, Roger Silverstone, Clive Jones and Jocelyn Hay – and I would also very much like to thank the BBC's Director General, Mark Thompson, and the BBC governor, Dermot Gleeson, who are here today primarily to listen but also to represent the BBC's perspective and to contribute to our wider debate. In the audience we have representatives from across the broadcasting and media industry, as well as people from a wide variety of interested bodies, and we're also fortunate to have members of the public who have already submitted their views to the Department's consultation process. Today's format means that the audience will primarily be in listening mode but we will provide opportunities at various points for comments and particularly questions on cards which have been provided, which we will then try to pull together and

make sure that those questions are answered by the people who are here at some stage in the morning, and I will do my best to make sure that as many of those points are heard. I think it is important that at this stage the debate is as open and transparent as possible. The BBC have kindly provided the cameras in the room, which will be providing a live stream of footage via a link on the Charter Review site and direct on the BBC's website and we are also planning to publish transcripts of today's discussion. Today's seminar is about the broad issue of what the BBC is for. We have circulated some papers outlining the, which deal with the purposes as set out in the current Charter, the Communications Act, Ofcom's thinking to date and these provide an important backdrop to the debate, just as does the BBC's document Building Public Value. And once, what we're proposing to do is have the panel to draw out some of the key questions and issues and after that discussion I will ask Mark and Dermot to respond and comment, although they are of course welcome to join in at any stage if they feel that there are issues to be responded to. And the broad themes that arise today of course we will be coming back to in later seminars as we drill down into specific topics, such as the BBC's role in building informed democracy through news and current affairs under governance of the BBC. After the break for coffee, we are planning to then look at how we might measure success in achieving these public purposes. Are we trying to measure the right things and is it the most effective way and, you know, whether any of this is going to create straitjackets which make it more difficult for broadcasters to innovate. And, as I say, we want to pick up any other questions as well. One or two housekeeping issues I've been asked to mention – it will be a long morning. We have refreshments dotted around I think at various points in the room and outside. Because of the security of the building as a government department, we ask you to keep on your security badges, your name badges, and not to go into other parts of the building without DCMS officials. There are loos located opposite this meeting room and fire exits are clearly marked and there are DCMS officials around if anyone has any questions at all. As I said in my remarks, the background papers we have set out for this session are in the delegate packs. The summary of BBC's purposes is laid out in the current Royal Charter and Agreement, together with a summary of the Communications Act provisions and the work of Ofcom relating to PSB purposes more generally that they have recently been working on. In this opening session I have asked Tim Gardham to start the questioning, just to raise some of the issues and then hopefully to get the people we've invited to be here today to respond to some of those questions on the general issue of the underlying purposes of the BBC. So Tim, if I could hand over to you at this point.

Unidentified speaker: Could I mention the mobile phones again.

Session 1: 'What Is the BBC for?' Panel discussion

Tim Gardam: As people are groping for their mobile phones, let's begin. If we begin with the key question 'What's the BBC for?' probably the best place to start is with the BBC's own document Building Public Value. And in that document, of course, the BBC defines its role as creating value and it identifies 5 key contributions it says that it makes. It's a contribution to democratic values, to cultural values, to educational values, the social values and it's a global contribution too. So what I would like to do in the first instance is to go round and ask for a brief thought from invited members of the panel on this opening statement of principles by the BBC and ask the particular question – in this setting out of its purposes, is the BBC in any way changing the way it sees itself? Is it making any fundamental alterations to the role it sees for itself? Or is it this essentially just a rebounding exercise of its continuing role? Simon Jenkins, could I ask you to start with your thoughts?

Simon Jenkins: You've taken me by surprise. It's one thing the BBC's ability to suppress a cellnet single but I, well for what it's worth I suffer slightly from BBC discussion overload and I'm never quite sure which of the many interesting questions one is really being asked when you take part in these debates. It was interesting what the Secretary of State said, that she in a sense has prejudged one question straight out. She believed there should be a strong, independent BBC and I think she used the word a strong, independent BBC rather than the strong, independent BBC, itself already a significant statement. But I do see it at two levels.

One essentially is should there really be a very large publicly financed media organisation in a nation such as Britain? And I think the general view of the debate that's taking place and on that matter of the Secretary of State is there should be. At that point you've closed a number of options in my view rightly but it is interesting that that's already been done. So one area of controversy is no longer an area of controversy. It's more or less decided. If you move on from that to say "But what should this organisation be like?" which is in any way a much more interesting question, there are then two sets of that. Firstly, should this large media organisation be the BBC? Is there not a case for saying that not all institutions have eternal life? There might be an argument for a new strong, independent media organisation to come along to claim the rights and privileges so far accorded to the BBC. Again, my impression is that has also been answered by a sort of consensus around the Secretary of State. No, there's going to be the BBC. Well let's not waste time discussing it in that case. The third question is then: "What should this BBC be like under these new set of dispensations?" and at that point it becomes a more immediate and interesting discussion. And there I think it must be worth looking at the way in which it has evolved over the past 10 years, the criticisms that have been made of it, the opportunities available to it in what is clearly a very different broadcasting market. And there I think most of us who are outside the BBC but frankly have spent a lot of time inside it are puzzled. You think there's an organisation here full of good things and full of one or two pretty rotten things. The corporate culture has the bizarre mismatch. It's half still Lord Reith and it's half Enron. It has all the characteristics of both bubbling to the surface at different times. What it never has achieved in my view yet is a genuine corporate message. This may be a strength but it's certainly not to my mind there. I'm never quite sure why the BBC thinks it should be the size it is, why it really thinks it needs to be as widespread and diverse as it is. I'm never quite sure what it sees as being its mission in the various areas that it covers and I certainly have never quite understood why it needs to be as imperialist so to speak across the entire media spectrum, as it has certainly become and as it appears not to be able to stop itself being, although that may now be changing. But certainly these are things which seem to me to be the questions to ask, if the earlier questions are precluded.

Tim Gardam: You have spent a lot of time recently looking at the BBC at its newest incarnation, online. Do you see these criteria's laid out in building public value as a change, what Simon Jenkins calls the BBC's corporate message, if it's ever had one?

Philip Graf: First of all let me say that there are bits of Simon's description that I recognise by the BBC in the last 6 months but there's bits, to be fair, I don't and I think one bit I would say very strongly is the question which I raised in my report, which is about governance and about accountability and about transparency I think becomes very important in this particular context. In terms of the values that the BBC describes itself as creating, the democratic values, cultural, creative values, in a sense they're very similar to the statements in many BBC documents going back a number of years. I think one of the things that I found was, and one of the things that I think is a question for the BBC, is how those truly get translated into how the BBC operates on a day-by-day basis. Documents such as this and previous that I read are certainly full of high-minded purpose, right. Now the issue becomes how you deliver that high-minded purpose in the real world in many cases. I mean I think in the online world the BBC has clearly, remember the online world the BBC operates in is a multitude of markets with a multitude of impacts therefore in different market places and the BBC has a potential to be both a competitor and an enabler in this world, right, and very clearly it has an opportunity. In the competitive sense it can do good and certainly in an enabling sense it can do good, both for the citizen and for the general economy as a whole. And I think there are opportunities there for it to do so but in the context of Simon's remark also about the BBC's imperialistic tendencies, it seems to me therefore that what the BBC needs to do as it approaches this sort of world is it needs to be rigorous about what it means in these terms and it needs to be rigorous in the way it sets its purposes out and governs and defines those purposes and governs those purposes and makes its management accountable for the delivery of those purposes. And that's the theme I would stress. I think it's important, as you look at these values, which I think are wide values which are not particularly new in the context of the BBC, though in my view they're largely a re-statement of what has been there before, but it's how they're delivered I think becomes the critical thing.

Tim Gardam: Thompson, do you think this is a rigorous delivery system, this document, for high-minded values, the same values it's always had?

Mark Thompson: I think that the Charter Review paper, the Building Public Value paper is a very intelligent and reflective and thoughtful, well-argued case actually, rather surprisingly I have to say. But it really does establish the BBC's, as it were, civic role and its right to occupy and continue its civic role as a unique contributor to the quality of life in Britain. And I think that case has been agreed and I think on the whole we're not arguing, as Simon has said, about whether it should but how it should do that. I think it also argues and acknowledges the fundamental changes that are taking place – technological as well as social – in the environment in which it has to occupy and that these provide major challenges to the integrity in both senses of the word of broadcasting. And I think that it's quite clear too, and I agree that there's a revolution in the process, which the BBC both has to as it were hang onto the coattails of but also to be a leader in. I was very impressed by its commitment to a range of digital, as it were, deliveries, which involved online, which we know about, the provision of archival resources, educational resources of the alto local resources, on demand resources, all of which meet their understanding of the changing nature of audiences and the changing nature of the public's relationship to the media. There are three points that I want to make. One I think has already been made, is the question is this is a kind of 'Not Only But Also' proposal here. The BBC wants to continue to do everything that it's doing up to now and more and the question is can it and should it? And I think that's a question that Simon's in a different way probably more succinctly asked. I think the second issue that I want to raise is – and I don't think this has quite been sufficiently grasped even by the BBC – is that I think the argument can be made that by 2016 what the BBC will be doing will be no longer broadcasting in the sense that we currently understand the term. It might be becoming increasingly a multiple narrowcaster or a publisher or indeed in some senses the major provider of media resources for an increasingly media literate and media engaged citizenry. And these are things the online, the archival and so on, which don't depend on the streaming and the integrity and the kind of paternal embrace of 20th century broadcasting that the BBC provided. The third point very briefly I think is slightly more eccentric but I think important. One of the crucial components of the BBC's case has always been recognition of diversity in British society and the importance of reflecting and expressing that and that's being made again now and I think with increasing significance and importance. What it doesn't do as well is to recognise that the plural nature of our society, as it were, bursts the bounds of national identity. The people are no longer quite so simply British in their Britishness. There's a cosmopolitan-ness in British culture and that means it seems to me that the BBC needs to be much more open to the voices of others, of both minorities and of global voices and to be as much a listener as an imperial broadcasters.

Tim Gardam: Roger obviously makes a crucial point that we're looking far ahead here in this Charter report, to 2016 when the whole nature of what we mean by broadcasting will have fundamentally altered. I'll turn to Clive Jones, who spent his career with another public service broadcaster – ITV. A word that's used a lot in this document is ecology and ecology assumes an awareness of the environment in which you operate, in which you live. From your perspective, do these values as laid out here, this concept of creating public value, particularly in the areas as defined, does that give the BBC a role in relation to the rest of broadcasting that you see clearly?

Clive Jones: On balance yes, although I think there is a tendency within the BBC not to recognise at times the fact that it is part of a broader system and that there are other broadcasters and there are other public service broadcasters other than the BBC. I think the key things I took from the BBC's manifesto I suppose within this document is that, as Philip described, it is full of high-minded purpose. What one has to be concerned about going forward is this crucial area of delivery. You know the BBC has a tendency to get religion every 10 years, usually coinciding with Charter Review, and one has to be certain that actually if they are going to go through some kind of conversion to whatever sort of religion they now wish to pick up, they're actually going to maintain that across 10 years. I was particularly taken I suppose to this concept of originality and excellence and the taking away of derivative programmes from the schedules as a key part going forward because I think that is one of the key underpinnings of the BBC's public service broadcasting delivery but there is a long way to

travel. It's unfair to pick on one particular day but I'm about to do it because it has to be July 20th and preparing to come here today I thought I would have a look at the BBC's daytime schedule. And, if you look at the 17 programmes broadcast excluding news bulletins between 9.15 and 6 pm tonight, 13 are repeats. That's a total of 77%. And of the new material, one is a makeover show, one is an acquired show – Neighbours – and one is a children's drama. The rest of the schedule runs: Homes Under The Hammer, To Buy Or Not To Buy, House Invaders, Bargain Hunt and Car Booting. That is not a schedule of range and diversity I would expect from the BBC. So I support an independent BBC, I support a BBC with a strong in-house production, I don't support the privatisation of the BBC's production base and I support the concept of public value but I think there is a long way to sort out these areas of delivery. The document is full of high-minded purpose but it's got to relate to actually what's going on the screen.

Tim Gardam: I'd like to take that point up with Patricia Hodgson, with you, who after all steered the previous Charter into existence. It seems to me that in this document the BBC is raising the bar somewhat by talking about greater distinctiveness and greater conviction. It says somewhere 'a commitment everywhere to the original and worthwhile'. And it seems to me that in previous generations the BBC didn't have to be quite so explicit because television was largely what the BBC did and therefore it is a tougher prognosis that it's laying down for itself than it's ever had before. Would you agree with that?

Patricia Hodgson: I think what we've been doing last time and is moving on a stage now and is very much clearer because of a change in the competitive environment is actually setting out purposes for a BBC that is not just changing the way it's seeing itself but having to go back right to the very beginning and reinvent its original purposes almost 100 years on. That's to say the United Kingdom took the decision that it wouldn't go the commercial route of the United States and that there would be this powerful cultural force at the heart of radio. And then the pendulum has swung between, you know, how that powerful commercial force manifested itself and competing, sometimes losing its way, sometimes it appears to be the case that the commercial market would supply perfectly adequately. And over the last 10 years but increasingly now I think it's becoming apparent that the country has to decide or is in the process of deciding whether or not for a new multi-media, multi-channel world it is prepared to fund and support a cultural force that will be as powerful as the original idea but obviously in a different environment. And picking up Clive's point, it raises enormous problems of the cost of being such a powerful force across lots of platforms and you very forcefully pointed out that if an organisation like the BBC is going to have serious impact and reach across television, radio, online and so on, it's going to have to combine commodity output with landmark and very demanding output because there is no other way to fill the time and actually the nature of the market is such that you can't have impact and reach by putting out a few programmes on a few narrow services. So the BBC, if as a nation we want it to be a serious cultural force, can't step back from embracing a wide territory and then the question is how does it provide quality and range in every part of that territory that's better than what the opposition is doing, both in the commodity programmes and in the landmark programmes. That's the challenge for the BBC. I think it has a possibility of doing so, very, very tough requirements for pruning back the things that it doesn't have to do, getting economies out of its business. A very difficult decision for the politicians because I don't see any money saving in licence fee levels here but of course the prize that the BBC has is this critical mass of creativity, or quality information in the case of news, that it can then deploy across all these outlets and the possibility of playing a really important cultural role that not only reaches, you know, quite large numbers through BBC 1 but can actually be targeted at particular parts of the community and demographics, whether it's through Radio 1 or an Asian network, and therefore actually provide this political and cultural debate at a high level that no other institution could possibly do. Now if that is the proposition that the BBC is putting before us, which I suspect it is because it says somewhere in this document the average person consumes television, radio and online for an average of 50 hours, i.e. longer than the average person goes to work or is in education, if the BBC is setting itself an information, educational and cultural role that meets that level of demand, by golly it's setting itself a very high bar and it had better be good because we will judge it very rigorously. If it has these ambitions, it will jolly well have to deliver. And I would just finish by saying what I think the stakes are for having that kind of ambition. If you think about the beginning of the 19th century and the

Industrial Revolution and a terrific societal change with great movements of people from the villages to the towns, from agricultural work to factory work, with all the upheavals that you then saw through the 19th century, and our forbears looked at these political, social and cultural problems and met them with a huge effort of popular education ending in free universal education, which helped of course by religion and a much more cohesive society, which bequeathed to the 20th century the most extraordinarily literate, well-educated, integrated society. The world has changed terrifically since then in the last 50 years. We've become a global society. The way we are employed has changed just as dramatically as in the 19th century. We don't have the tools and it's a much more demanding task to inform and education and entertain this global moving culture that we now have and that's why I think the BBC has moved the bar but by goodness won't we test them harder if there is that kind of ambition behind it.

Tim Gardam: There are two very big points there which I'd like to pick up later. One is a dose of reality, which is not every programme can be brilliant, the work of genius and a landmark. There are, as Patricia says, commodity programmes. And the other is the terms at which the BBC contributes towards a cohesive society. The one thing I'd like to pick up in a moment is how far that trinity of to inform, education and entertain puts a much tougher spotlight on what entertainment is for, whereas giving great ambitions for the information and education part of the remit. But first, Jocelyn Hay, picking up something else Patricia and everyone has alluded to in fact, which is the level of dissatisfaction, the Secretary of State was saying just now, which has come through this survey. It's obvious the case if anyone asks someone at the BBC could it do better, they'll always say yes but do you think there's something quite significant in this document in the BBC's response that is recognising something that has gone wrong?

Jocelyn Hay: My experience of meeting the public and our members very much is that there is some dissatisfaction with the BBC, yes. In recent years perhaps it has become too competitive, too populist in some of its programming but nevertheless there is huge support I find in the public for what the BBC stands for, for what the BBC is doing and for what it should be doing in future. And the dissatisfaction is trivial almost in relation to that overwhelming support for a publicly funded public broadcaster which can put the public interest above all else. That I think is absolutely overriding. And when you look at the fact that the television now particularly is so important an influence on democratic and cultural life, this is what people want. This is why, as the Secretary of State said, people want the BBC to be independent of politics and one of the best ways I think of ensuring that is to keep the licence fee as its main method of funding. It distances it somewhat from the political process, not entirely but more than other methods and it also gives it the freedom from commercial pressures that for instance, as Clive said, the commercial broadcasters have. Yes, it may refocus the BBC's mind when Charter renewal comes up but don't let us forget that all the ITV companies also refocus their minds when their licences came up for renewal, as Lord Puttnam told us when he was on the Board of Anglia. They suddenly became interested much more in public service. And so this is a cyclical thing. But I think the overriding thing that has come here now is to look to the future. What the BBC has done, as Philip Graf's report and the Spectrum research that accompanied it, is to in this country to position the BBC in the position to lead in future the new services online. It is the biggest provider here in the UK. And, looking at the Spectrum research which shows how the American market and Hollywood and the content that is there available will swamp us if there isn't a huge player with the resources to meet that with the critical mass of training and resources to provide a focal point for new industries here in the same way as the BBC has led the switchover to digital technology so far, been in the van there both with the technology and with content, as indeed it was required to do during, not quite the Charter renewal but the last time the licence fee was reviewed. The BBC was given an increase in the licence fee in order to help it to further the digital switchover process. And I note that last week the BBC is agreeing, I believe, to lead the process and the setting up of Switchco, the company that will be leading that, but it should also be there in future. This is an area where the country is leading at the moment in digital take-up. There's a huge economic opportunity for the country here. Who else is going to take it up? Who else is going to provide the resources, the critical mass and the ability to innovate and take risks that the BBC has? Who else has the archive that can be exploited on behalf of the public interest? There's an enormous amount here to be done and my feeling,

and the research that has come back to us from meeting loads of ordinary people – probably of all the people on the platform, I speak at more, I represent the ordinary person more and I speak at many, many ordinary meetings from Rotary clubs to WIs and Townswomen's Guilds. And there's a huge support there for a publicly minded BBC and very little knowledge of what is actually happening in the political sphere. I've spoken at 7 public meetings recently, as I say, a mixture of Rotary clubs, WIs, U3A's and so on, and out of some more than 500 people, only one put their hand up that they knew about the Communications Act. Only one put their hand up to say that they had replied to this consultation and they were appalled when I told them the provisions of last year's Act. So there is a huge educational job to be done.

Tim Gardam: Okay, can I pick up from there and try and focus this down? The point I would like to explore comes back to where Simon Jenkins left us, saying what should this organisation be like? And it seems to me that the fundamental difference between this document, Building Public Value, and the BBC Charter is first of all the BBC Charter is the most wonderfully vague document if you read it and doesn't really tell you anything at all. But the other is that this document for the first time clearly places the BBC's role in the terms of the wider market. And what I'd like to explore is how we think that relationship should work. There's a key quote in this document: "The BBC should consider the legitimate anxieties of the rest of the audio-visual sector more than it has in the past." Now, I'd also like us to look forward because there is a danger that we in such discussions only look 18 months ahead. Given the exponential change in this market, where should the BBC see its relationship in to what the market provides? Who would like to start? Philip?

Philip Graf: I think it was quite clear, as we talked to people in the Internet sector, that the BBC's relationship with its fellow members of that market-place was to say at the least it was interesting. I think the lack of trust at the BBC's activities was palpable, consistent and long-standing and I think the BBC recognises that in this document in many ways. And I think the BBC has a clear opportunity and a role going forward to mend that situation and mend it for the better in the context of the BBC's wider purposes. It talks in this document about partnership and I look forward to seeing the production of that Paper because I think partnership and, as I said earlier on, this concept of being an enabler is a situation where the BBC has a real role to play in developing the sector, in developing innovative content, in allowing and encouraging the role of broadband and in all these areas it's got an important role to play. Its role can be in my view only played if it enters into genuine discussion, genuine partnership and opens up genuine trust with people. Again there is, you know, so much evidence from people and it's evidence which I gathered when in the past the BBC has said one thing and apparently done another or not done it.. And I think the BBC has a real role, a real job on its hands to actually in terms of the set that it wants to play a role in the way it states in this document is to show not only that it says it but that it means it and it does it. And I think that's the point....

Tim Gardam: But I think there's a wider point, which is that – and Roger, I wonder what you think about this – as we get a genuine market in the media, which we haven't had before, will it be the case that the market will deliver some things more than it has done and maybe some things less than it has done but the BBC in deciding what it should do will have to first of all take a clear stand on what the market can provide and set itself in counterpoint to that. And that's a fundamentally different approach to the approach it's taken since its inception.

Roger Silverstone: My inclination is to say yes to the last question. I think the market will radically [INAUDIBLE] – and I don't know what the answer to this would be and what the implications to it would be – if the rest of television in this country was released from the formal public service broadcasting remit? And you're drawing a boundary around the very specific role and responsibility to the BBC. Let the others, as it were, do what they want, meet a public remit if they need one and if they feel that it's commercially successful but the BBC has a very specific remit, which can be large-scale, mass market and also a niche market and that the boundary is clear. And I'm not sufficiently intelligent probably to work out the full consequences of what that might be for the market-place and the BBC's own relationship to its public but it would seem to me to be quite a simple way of making that distinction.

Tim Gardam: Do you see what the implications may be, Patricia?

Patricia Hodgson: I think there are a number of levels in the logic of this. The first big question is the one I alluded to earlier, which is if you want the BBC to have impact and reach, you will probably want it to have interwoven amongst its schedules and services some pretty popular material. I think it's the balance between that popular material and the more demanding, the more innovative, the more creative, you know, the higher expectations we have of most of the BBC's output. The economics of this are pretty interesting. The more fragmentation of the audience, the more competition between channels. If you have shareholders and your first duty is to deliver shareholder value, the more likely you are to stick to something that you think has already proved its worth and to go for a balance between the number of viewers and the cost of the programme that optimises the return for the shareholder. Now what that does is not only remove the commercial sector from doing operas and Newsnight and so on. We all know that. Crucially what it does is it means that they step back from some of the quite popular top-end stuff. And I won't take your time but you can actually economically work out what that material is and there is quite a lot of it. And my belief is Ofcom has promised us that there will be a decline in market failure and indeed we might expect market failure to end. I think quite the reverse, that there has been, that multi-channel has ended a lot of market failure but, as it has multiplied and as competitive pressures have multiplied, we will see it causing a lot more market failure. And it will be across a very large swathe of quite popular, quite middle-brow programming where nevertheless the balance between moderate audience numbers – and we're talking about audience numbers that might be between 2 and 4 or 5 million, depending on the cost of the programmes - those programmes won't get made in the private sector. And indeed my experience of being a regulator for 4 years is you're on a hiding to nothing trying to make them make them because the nature of creative enterprise, the nature of any business is that it must be committed to what will succeed for it as a business. And if the realities of competitive television are that in order to maximise your returns for your shareholders, depending on the kind of programming you are in, you go for this balance between cost of programmes and the number of people in the audience you're going to get, why should the regulator sit there trying to tell you to do something else? And so over time I think the idea that you can have the odd public service programme in a fundamentally commercial schedule will evaporate. Not now. It will take a few years but it will evaporate. Conversely, the BBC will I think need to become much richer and more demanding but it will also, if it wants to work, need to continue to be popular and quite wide in its sympathies.

Tim Gardam: I must bring in Clive Jones here. Clive, looking 5 or 6 years down the line, digital switchover, clear date in view, the ITV business. Do you recognise the picture that Patricia is painting and does this mean that the logic is essentially a BBC sort of programme or BBC content will by necessity be far more clearly differentiated from anything that a commercial network would wish to do?

Clive Jones: Up to a point, up to a point. You know there is a key issue here, which I think Patricia is hinting at here and this is a key issue for government, is 'is there going to continue to be a competitive supply of public service broadcasting in the UK?' Now from my stance in ITV, we wish to continue as a public service broadcaster. Now that might mean a change in our remit, as Patricia has described as commercial pressure. Channel 4 have made it very clear that they actually want to stay a public service broadcaster. But over time, as competition increases, one might have to change, look very hard at the funding of that. There is a buffer at the moment before digital switchover, which is our licence fees which are currently under review. But there is going to be a point when the analogue signal is switched off when Channel 4 and ITV potentially have to make some very hard choices of what it wants to be. Now I would hope that it continues to be a public service broadcaster. I think it would be a disaster for the plurality of news supply in the UK if it all came from the BBC and didn't come from other broadcasters. However, you know the BBC has to understand that in a 200 channel world, potentially much more than that as we move into broadband and other forms of delivery, it can't compete on every front and I think this is a single problem that they have to address. I sometimes look at the BBC and think what are they going to do tomorrow? Invade Poland? Because you know are they going to launch another service, deliver something else? And, as Patricia again has described, you know every schedule is a mixture. You can have landmark programming but you need ballast. You need commodity programming as

well. You can't afford everything all the time. But the BBC is not going to be able to afford to do the big landmark programming if it tries to launch another service and another service. The cake is going to be the cake and you know it has to be carved up between them. You can't have a licence fee unless you have a popular service but there is a distinction between popularity and, as Jocelyn said, populism, and they've got to strike that right balance.

Terry Burns: But isn't there a hypothesis here that in the new kind of multi-channel world there are going to be two trends? One is that there is going to be more of the commodity-type programming on the other channels and secondly, there may be less of the landmark-type programming on the channels which currently carry it. And therefore doesn't that mean that the purposes of the BBC and the remit of the BBC has to change to quite a significant extent as we move through that process?

Tim Gardam: I mean you know this is the thing that I've been wrestling with in the last few weeks is to what extent you look at the BBC and its remit in a standalone sense, you know, of what it is we would like it to do and to what extent it has to be seen in the context of what is happening with the other providers of television, both what the others are providing and what the others are not providing and how one captures that in a remit, in a form you can have some confidence that will be delivered over the whole of the Charter period? Simon?

Simon Jenkins: That's getting somewhere and the question is what is the unique selling proposition of the BBC in a far more diverse broadcasting market? And I mean I sometimes think it's getting more and more like my industry, newspapers. I mean there are lots of us and we each try to do a slightly different thing. We're doing so under different guises. But, if you look at a paper like the Guardian back in the 50s and 60s, it was there under trust to provide what might be called the answer to market failure elsewhere in the press. And the Guardian was a different paper, very distinctive, tremendous self-confidence, arrogance, self-satisfaction but it was a good newspaper as well and it's survived ever since more or less on that prescription. Now is that what the BBC is going to be?

Tim Gardam: Because one difference I mean with the BBC isn't it, it gets licence fee money?

Simon Jenkins: That's the end of my sentence. The difference isn't the Guardian, it's the BBC and it's not I believe or it can't sustain its argument simply by saying we're responding to market failure elsewhere in the spectrum. That's not good enough. You're receiving public money and you're doing so with a peculiarly privileged monopoly position. Now I don't think there's a big problem provided the BBC can articulate its purpose in a way that carries public conviction. I think one of the remarkable things about the past 2 or 3 years is it's clearly got a tremendous well of public support for that exercise. So you're staring at a run but at the end of the run you've still got to find a way of defining what the BBC's about in a very, very different market-place and I don't think it's any good simply talking about well we can do this because no one else is doing bad. I think one of the things that's unique about the BBC is still the fact that it is the BBC. It's big. It's powerful. It's independent. It can provide its staff with a career. It doesn't simply fire them if things don't go well like newspapers can. It is actually a complete corporate entity with cultural pretensions but it's working in a different context from the one it was working in before. And I think that's slimmed it down but still BBC BBC is the real challenge.

Tim Gardam: Can I just bring in Sly perhaps here because you listened to Simon there? It's assumed from the BBC in terms of its own purposes, also in terms of what its customers might expect of it. Do you recognise that essential difference in the BBC in terms of its approach to its customers to that of any other media organisations?

Sly Bailey: I think it would be a good question for Mark to talk about. I'm sure he'll be covering it a bit later on but I think that for me reading the document, which is I think a great document and difficult in many ways you know to argue from my perspective with a lot that's in there if you look at the values and what the BBC should say. Simon's point, we're starting from a strong point. I think the research that Jocelyn has done would I think also bear that out. But I think we mustn't lose sight of the fact that, of what it is that the customer wants and the customer is, you know, the audience, the viewer, the listener, whether it's TV, whether it's

radio. And what do they want? They want great telly. That's what they want to watch. They want to listen to great radio programmes. So nailing the distinct proposition I think is really important because a lot of this is really quite vague by necessity and therefore I'm interested to hear later on as to how that will translate into great telly and what it is that, you know, that viewers would look at and think well that's tremendous, I'm getting tremendous value for money there, because you know what a great customer-focused organisation does is have the mechanisms in place to measure that performance and genuinely put the customer at the heart of everything that it does. And I'm not quite sure that the BBC is at the moment an organisation that puts the customer at the heart of everything that it does because that is the logical extension of everything that's said in here, that starts with building public value and then manifests itself with the customer and great radio, you know, great telly.

Tim Gardam: I'd like actually to bring the BBC at the moment slightly earlier than we were going to because I think there are a lot of issues here which it would be useful to have but just before we do that maybe one way of focusing this is to go back to I thought perhaps a contentious statement that Ofcom made in its first review of public service television, which it created this sort of hyphenated Frankenstein called the consumer-citizen and then it separates out the citizen and the consumer and says: "in future the market will provide all the consumer needs in television but the citizen will still need other things and that's the public service element of television." Playing my hand, I fundamentally disagree with that but Patricia, as you were hearing somebody speaking just now, that came into my mind. Where do you stand on this?

Patricia Hodgson: I think Ofcom just got confused actually and they know they've got to deliver something to the Treasury at some point and one of the things they might deliver to the Treasury is a lower licence fee and so the route to that is to say well there's less market so obviously you don't need to do so much. I actually don't think it's worth debating. Could I pick absolutely what Simon was saying? I think the BBC has found its way towards what its proposition might be in other fields in news and current affairs. Here is an area that is not always terribly popular. It has built an investment in I think it's probably the best resourced news machine in the world isn't it now? Ofcom's research tells us that the public thinks that it does very well and trusts it. It's able, it's got that critical mass at the core of production and news gathering and then it's able to deploy it in services that change to meet the changing needs of its audience and demographics and what happens in the rest of the market or doesn't happen in the rest of the market. And I suspect it's going to have to do the same with innovative UK production in entertainment, cultural and educational areas and that we will start to judge the BBC by the calibre of its critical mass of creative production on the one hand and then also by how it deploys that and distributes it in services that might change according to how much money it's got, what the demographics are. And I think that there is a route there because with non-news, with the creative stuff it's going to have to do it in partnership otherwise it will become imperial and arrogant. And I mean I've seen through years at the BBC how easy it is to be ruthless once you've got your Charter and agreement again. You talk a lot about what you're going to do and the partnerships and bring people in and then it's not cynicism, it is that executives under pressure – and there is always financial pressure – they are just ruthless with the independents, with the intellectual property that's elsewhere. And somehow or other in your deliberations you're going to have to build in constraints that oblige the BBC to be more even-handed.

Simon Jenkins: Can I come to a very tiny point which Patricia picks up there because I'm never quite sure what the word independent really refers to when it's constantly used. As far as I'm concerned it really refers to news and current affairs and that's where it bites. And I think one of the exciting dangers of the next stage is that actually the news and current affairs function of the BBC becomes utterly dominant and it's the one thing where it's got to be independent. It's the one thing, as Andrew Gilligan, its independence is noticeable and matters and is politically significant and constitutionally significant and it needs all kinds of protection. The problem is how does that relate to the rest of the BBC?

Tim Gardam: Leaving that just for the moment and just before I come to the BBC, one of the things we've been trying to do here I think is to define differentiation. This document Building Public Value is an admission that differentiation in terms of BBC programmes is something

which is going to need far greater hard-edgeness. And two members of Terry's panel have been listening today and I'd like to ask them their thoughts at this stage. Janice, do you think we're getting anywhere?

Janet Finch: Yes, I think we're getting quite a long way but I would actually like to draw into the debate some points which I think Roger Silverstone made at the beginning which we haven't returned to. I think Roger used the phrase 'engaged citizenry' and the extent to which the BBC might in future be much more involved in facilitating the engagement of citizens. I think that's really very important and we need to think not only over the next 10 years how the technological environment is changing but how the society is also going to change further over the next 10 years. And some of that is fairly unpredictable but we are clearly going to continue to see a very fluid society and a society where even who constitutes the British population becomes a much more difficult question to answer than it was or something as fundamental as that. And I think that the role that the BBC already plays to an extent in giving a voice to not just individuals but actually groups, sub-groups within the society may become a much more important issue for the future and I'd like to see that more on the agenda and I'd like to know what members of the panel feel about that. It's not just about making programmes which respond to different groups in the audience. It's actually facilitating groups in our society in understanding their world and in communicating their views of the world to the rest of the citizens. And there is, that's partly about interactive media but it's also about the underlying philosophy of how the BBC relates to citizens, not just as individuals who receive broadcasts but as people who are part of a sort of dynamic moving society of which the BBC is part.

Tim Gardam: But doesn't it also lead to a danger that the BBC can then say "We do everything. We do programmes for social glue for everyone to watch and brings the nation together and we also do programmes for every little segment of this variegated society we're moving into. We do it all."

Janet Finch: Well of course it does but I'm not suggesting that. I'm suggesting that within the context, which was very interesting developing a set of ideas earlier in this discussion about perhaps drawing tighter boundaries around what the BBC does, that the greater engagement of citizens might be part of that. But Roger brought in that idea and I'd be quite interested to know what more he has to say about that.

Tim Gardam: Let's pick that up in a moment. Alice, a related point that's come in here is to do with the BBC's relationship if you like to popular culture. How popular should it be? What sort of popularity should it cause? The relationship between the BBC's difference of creative perspective and its need to appeal to everyone? Do you think there's a clear point of differentiation here that it can achieve?

Alice Rawsthorn: I think it's an extremely complex scenario and it's one that for the reasons that Patricia and Janet have described very eloquently is going to become increasingly complex in future as our society becomes even more fluid. And there seems to be a light motif that's running throughout the debate. First of all, everybody seems to admire the estimable values that the BBC has produced in Building Public Value but a number of the participants have voiced concerns about the degree to which the BBC in practice actually fulfils these worthy purposes, Clive and Philip, in their different sectors in particular. The other point that's come up from every speaker has been the size of the BBC. There seems to be a general acceptance that, whereas historically the BBC has continued to expand to meet the needs, popular or polarised as they may be, of cultural consumers. It can no longer do that in this very fluid future. But I would be very interested in what the sort of platform participants who aren't on the panel, how they feel the BBC should focus on that and how in practical terms that will affect the BBC's purposes in the future.

Tim Gardam: What I suggest we do then is I'd very much like to hear from Mark and Dermot now about what we've been discussing to date and then move on to the issue, if you like, the size of the BBC and the fluid society, which seems to be where we've reached as Part 2 of our discussion. Turning Mark to you first, do you agree with the fact that the perception of this

document is the BBC is setting a much higher mark as to what we should do than it's had to do in the past?

Mark Thompson: Yes, I think so. I mean I think, I mean I have to say I think it's been a very interesting discussion. I don't want to kind of respond so much as kind of just add to it and tell you what the discussion illustrates. I mean one of I think the points at which the BBC begins is the notion of universality and I think you can see much of this discussion is about as it were the challenges of universality, both the promise and potential of universality and I think Patricia is right to point back to that rather [INAUDIBLE] idea of sweetness and light for all, that there's a potential to reach everyone with programming content of lasting value. But also universality has risks attached and I think many of the criticisms people make of the BBC are associated if you like with the risks or the potential bad thoughts of universality, the temptation to want to do too much, to invade Poland, the temptation to bend values in aid of universality. In reaching that other audience, you begin to potentially risk compromising your values. So in some ways I think you can see a lot of the debate centred around this idea of if we want, if part of the idea behind a "strong and independent BBC" is the idea of a BBC which continues to be universally paid for, universally available, what does that mean going forward? And in a way I think building public value is an attempt to set out the ambition. It's fundamentally not about delivery. It doesn't say in detail how that ambition is to be achieved but it sets out the ambition. And just a couple of points about the ambition. Firstly, it's such an obvious point but it's not always made. The purposes, the 5 purposes that the BBC sets out fundamentally address not a market failure in broadcasting but a market failure or a series of market failures in society. They are about looking at various aspects of our society and rightly or wrongly saying there is something broadcasting can do, public broadcasting can do to make things better. It can add to the massive education value in our society in a way which goes beyond what would otherwise be the case. It can play a role but in my view only a role in strengthening our democratic institutions and so on. So fundamentally the intervention represented by the BBC is actually about looking at large-scale, large-scale market failures or perceived market failures in our world. And of course there's absolutely a subsidiary question – could commercial broadcasting fill this gap itself? There's a second order market failure question within broadcasting but fundamentally it's quite a big idea, it absolutely goes back to Matthew Arnold and the culture of anarchy, about what would happen in our society without some kind of cultural dimension.

Tim Gardam: But isn't there, it's not just an ambition, it's also about a choice isn't it because if you like the Matthew Arnold idea of sweetness and light and bringing people towards a set of qualitative cultural assumptions is one thing but the BBC is also, particularly BBC television has a utilitarian idea which was because it was universal, paid for by universal licence fee, it's got to be competitive in a different sense, the greatest happens to the greatest number, and it seems to me that what this document is admitting there's a fork in the road here. And the old equation whereby the BBC could claim to do both things in its own terms is being changed by a recognition that it is now digital makes it collide much more with a market that trying to do many of the same things.

Mark Thompson: Do we need greater clarity about our purposes and greater determination to follow them? I think yes. However, I'm resistant to the idea which is, again it's a familiar idea in the debate that you can divide programming into programmes of high purpose – for which read arts, religion, documentary – and commodity programmes. Partly the way I read this idea of bringing a commitment everywhere, everywhere to originality and worthwhile is saying these values can inform popular forms of television as well as more as it were overtly "market failure reforms". So in other words it's not saying the BBC should exit all popular genre. It's saying what can the BBC bring to popular genre which generally adds originality and excellence but also in some way speaks to one of its purposes. Now what's interesting, I think you can argue that although it's been in the background, the idea of the as it were social and community value, which very much goes to what both Janet and Roger said earlier on, is elevated to a new importance in building public value and this is, you know, 80 years in. This is a recalibration of the values of the BBC and I think it's an incredibly interesting area. You know again traditionally the BBC has talked about social glue. What building public value talks about, which I think is very interesting, is also about confronting audiences with difference and it's not about serving every little bit of the audience as it were in a targeted way. It's about a

collective sharing of differences which I agree absolutely with Janet represents a philosophical, you know, potentially watershed in the way we talk about our audiences and at least offers a promise of well two or three things I think. Firstly, much more participation by audiences and setting by audiences of the agenda and we have the technology to do that but also I think at a more profound level a kind of, a transition from a broadcaster to use that term, you know, we broadcasting to the world to a much more even dialogue between the BBC and its audiences. And in parallel again I have to say, I mean although this is at this stage I readily admit words, again is there a way in which the BBC can stop being seen as and perhaps behaving sometimes as the imperial we-know-best broadcaster and again work more systematically and coherently with the rest of the industry? So to take one example – broadband. Does the BBC launch BBC broadband as a great new service or does it say broadband actually is an opportunity to make our existing content available to audiences and by the way also to enable commercial broadband providers to strengthen their proposition to the public by the free use of BBC material? And that's a very different way of looking at how you might provide broadband. So I mean this document certainly talks about making what the BBC does available in new ways. It doesn't actually talk about the launch of new services generally. There are one or two but generally it's not about the next wave of services.

Tim Gardam: There's a few, probably rightly, refuse to divide landmark programming from commodity programming. Those of a suspicious turn of mind might say this is a very clever rebinding exercise by the BBC because essentially what it's saying is we must recognise an element of difference in everything that we do. It's not far from the BBC going back to something for which it's always been criticised which says because we're the BBC we do it. It is therefore different. So how does one find that point of definition, particularly if you're not going to define things in levels of market failure, which is a trusted point of difference both to the market and to the viewers?

Mark Thompson: I think it's very difficult to sort of axiomatise it into a test, which is why the public value test which the governors are going to conduct is going to be, you know, tough.

We sort of all know it when we see it in the sense of, you know, for example very successful comedy programmes, which some people would define as commodity entertainment but which both feel like they're breaking new ground creatively but also genuinely seem to speak in a rather interesting way about our world and what it's like. I mean *The Office* would be a recent example of something which is....

Mark Thompson: These are the easy ones because they are programmes, comedy in particular. I notice comedy has a major role in this document and one understands why. It's the wider range of entertainment is....

Sly Bailey: Sorry, I think to Mark's point and to yours as well, I would highlight *Strictly Come Dancing* as a fantastic example actually that I think for me would, you know would bring alive the popular end of delivering [INAUDIBLE]. Who would have thought that a programme about ballroom dancing for heaven's sake would be the surprise hit of the season, you know, slap bang in the middle of a schedule on a Saturday night but it is? It's, you know, evidently got all sorts of new and different and young people hooked on, you know, ballroom dancing. Had a fantastic interactive element, so you could actually you know be part of the programme and drive the content of next week's show and for me that, you know that would be a really good example that isn't comedy that I think is important that we'd all like to see more of.

Mark Thompson: I mean it's very difficult. I mean the public often adds an embarrassing element to this debate. Which programmes on the BBC most stimulate your creativity? DIY and gardening programmes. That doesn't mean that every single DIY programme the BBC does, and goodness knows we've done a few, meets these objectives and you know that's an example where I'm sure the glut has absolutely taken us beyond what you could plausibly describe originality into...

Terry Burns: I mean their own private channels to this.

Mark Thompson: But we've got to be careful about simply saying "Okay, well the answer is actually DIY has got nothing to do with public service. Cross it off. Cross it off the list." That's

also in my view a false move in a chess game. In some ways we have to be more rigorous with ourselves and it's about looking at the qualities within categories rather than excluding entire categories.

Tim Gardam: Let me bring in the person who's going to keep you rigorous in the area. It seems to me quite a difficult, well there's an ambiguity in this document as you look forward which is how far the BBC should be very conscious of the need to encourage public service competition and therefore the government should be looking outside the BBC at what's going on in the rest of the market to ensure that it finds its rightful place there. And in another sense is in relation to everything else that's going on because I think it's fair to say until now you've always looked at the BBC in its own terms.

Dermot Gleeson: On your very first point, I mean I think we do favour public service competition but we're acknowledging in this document, as the discussion earlier has acknowledged, that over the next Charter period the level of that competition may diminish and we will have to adjust ourselves accordingly. A number of people said earlier that they were very impressed by the various purposes in this document, the higher purposes, but they had some doubts about the ability of the organisation to deliver. And if I may very briefly, I'd just like to talk about the section in this document on the reform of governance because I think it is important and I'm not sure that the changes that we're proposing have yet been fully understood. We're essentially trying to achieve 3 main changes. First, we want to ensure that the governors enjoy greater independence from management, primarily by arranging for the governors to be supported by a substantially resourced team of appropriate experts. For the avoidance of doubt, it's perhaps worth stressing that we're not trying to get so separate from management that we are in effect transformed into external regulators. We will remain a supervisory and strategic Board, leading policy from within, not simply trying to push from outside and indeed acting often retrospectively bayoneting the wounded when the battle is over. Secondly, we want to introduce a much more systematic, rigorous and transparent approach to policy making and to decision making based on 3 things which you will have read about in this. Service licence agreements, which will set for each of the BBC services its remit, its budget, its spending priorities, its performance targets. Secondly, a continuous cycle of transparent and independent reviews in which all those services will be systematically assessed. And thirdly, we want to apply to those reviews, and indeed to any proposals for new initiatives, the public value test, which is described in detail in the document and which I think we're going to be talking about in the second session, so I won't go into detail with that. And thirdly, and I want to stress this in particular because it's not had a lot of attention and it bears on what we said earlier about the importance of putting customers and licence fee payers at the centre of everything, we are determined to make ourselves much more systematically accountable to licence fee payers than we have in the past and to create a much more systematic link between the governors' decisions and the views of licence fee payers. And each of the service reviews I was talking about earlier will be based on what our consultations are telling us about the audience's major needs and concerns. We will always publish the results of those consultations and, although we have no intention of surrendering our right and our duty to exercise our own collective judgement as governors in the interest of licence fee payers, we will nonetheless always when we are not able to accept the recommendations of licence fee payers, we will always say so and we will explain why. So what we're moving to is what, you know, in the publicly quoted sector is known as 'exceptions reporting'. When we can't comply with what the audiences appear to be telling us to do, we will say so and we will justify why and explain why. And I think that really is a very substantial step in terms of accountability and actually I think one of the benefits of it is that it will help, because it will increase our legitimacy, it will further reinforce our independence of and our effective authority over management. And that's why I am reasonably confident that we've got a package of measures which will help us to deliver the commitments in this documents.

Tim Gardam: Could I ask Jocelyn, as you've listened to Dermot there, what will make those commitments credible to you in terms of the accountability to licence fee payers and the governors, the reform of accountability the governors introduced? How far is this essentially just PR or how far do you think there's a chance for a real systematic shift in terms of accountability?

Jocelyn Hay: Well I think accountability is a key issue actually and transparency I think is at the heart of it. There has been a tendency in the past – and this is one of the things that has created so much irritation – for a seemingly arrogant approach to complaints for instance to the BBC. People feel they don't always get a response or, if they do, they get a brush-off or they get a standard letter. On the other hand, one can understand playing devil's advocate that the BBC does get, simply because of the size of its operations, an enormous number of comments and complaints which need to be handled and in fact cost a lot of money to handle. So there is a bit of a catch-22 there but I think what would help tremendously is if there were a proper explanation as to why that complaint cannot be upheld or followed or the suggestion or whatever. That I think would help enormously, as Dermot Neeson just said.

Dermot Gleeson: Can I just mention, we published our new complaints procedures yesterday I think and indeed we will henceforth, you know, when a complaint is upheld, we will not only acknowledge so very conspicuously indeed but we will explain what action we are taking to ensure that it is unlikely that that grievance will arise again.

Jocelyn Hay: And I think that will go quite a long way to helping that, I really do think that. Can I come in as of now or in a moment or two if you're still talking on this, on a couple of other points about the broadcasting market because we keep talking about the market and there are some differences I would like to highlight.

Tim Gardam: I would like to come back to those just in a moment...

Jocelyn Hay: Indeed.

Tim Gardam: ...because I want to come back to the panel to hear what they think about what Mark and Dermot have said but there's one question I have to ask you both because Terry will be very cross if I don't, which is does the BBC's attitude towards ratings fundamentally change under this? Because in sort of the headline world of BBC and I think we know it to be true the pressure when you're sitting in a job running a channel and the pressure that you know newspapers will put on you about ratings, does make however high minded the promises at a time like this change when you're in the trenches. So how will the BBC get to a position where it can justify consent for the licence fee and yet not be worrying about the show of people's views, channels?

Mark Thompson: I think you will see in the BBC a shift from focusing very strongly on the share, the absolute ratings share of individual services to a broader look at the value that we give to households across services. So that if you like the reach, and I have to say meaningful reach – let's say a couple of hours' usage by each member of the household per week...

Tim Gardam: Of all services?

Mark Thompson: ...of all services – analogue services, television, radio, news services. So in other words, if the licence fee as a transaction what is the average household, what are different sorts of households getting in terms of aggregate usage I think is a much better way of looking at it. Now we should be dishonest about this. Share and ratings are one way of expressing usage but I think shifting to a broader picture of how the public are using the BBC and it must be said their broad levels of satisfaction, which as you know remain pretty high with services as a whole, rather than fetishising individual ratings for individual services, in particular BBC 1 and BBC 2.

Tim Gardam: Thanks. Well I'd like to come back to the panel with I suppose the shorthand of what we should now be asking people is do we trust them? We've heard them, do we trust them? But I think we might put it in the context I think of something that, well the key point that Dermot was making really, which is as society fragments and as media fragments with it and diversifies, the BBC has in the past grown and transformed itself to meet these different needs in different ways. So it's been, as someone once described it, genetically programmed to grow. So it's a [INAUDIBLE] question really. You know is the BBC far too big, far too small or just right and how are we going to be a to calibrate that in the future, particularly as we move towards convergence? What do you think?

Howard Davies: Well I was struck by the observation Mark made at the beginning of his intervention where he tried to shift the debate a little bit away from broadcasting failures to society failures, saying that the BBC was about correcting failures in society, which is a very Blairite notion really, that you go round the world looking at places that you think you could improve and you invade them and you change their governments.... And Clive did raise the question of invading Poland. I don't know why he particularly picked on Poland but I mean it does seem to me that if you adopt that broader definition then you certainly would invade Poland, to use that shorthand. And I am not quite sure how with that kind of mindset you do avoid exponential growth or just continued incremental growth and I'm not quite sure what bounds you are planning to put on that because I think it is you know potentially a very blank cheque and certainly would not lead to Simon's slimmed down BBC that he referred to. And I'm not quite sure therefore what we find in what the BBC have set out so far that defines if you like the limits to growth. And I think it's also just as a grace note to that, it's important to note that the BBC's intervention, even if there is a problem in society and even if it would be nice to solve it, the fact that the intervention comes from the BBC is itself value laden because it is a public sector, public oriented intervention, which may not be what's required or may point to a solution in a particular direction involving a public sector solution to it if you like, which may not be the right solution. So I was quite struck by that original definition and I hope Mark didn't mean what he said.

Tim Gardam: Simon, do you think he meant what he said?

Simon Jenkins: Yes, I mean I'm interested in this slight floundering over what is the purpose of this exercise when you've got a very different sort of market-place. We start using the language of the market-place. We talk about market failure. We worry about ratings or not worrying about ratings. The point I'm really just restating I think is that I sense that if the BBC begins to validate itself in these terms, it won't ultimately win. It will win in the short-term. You'll get public support but your enemies are out there waiting to nab you. They'll nab you if the market share goes right down. They'll nab you if you do bad programmes. They'll nab you if you look as if you're just simply working away into a particular market and killing the competition. You know there are people out there who just don't think the BBC should exist. I don't think we talked to but they're there. I think the language and the ideology, which you need to use if you're going to win in the long-term this particular battle, is going to have to be far more, I mean almost ecclesiastical. You've just got to find a way of defining what the BBC is really about in such a way that you really justify a licence fee, not a, you know, advertising rate but a licence fee. You've got to find a reason why people in my profession go out there and cry "for God's sake keep the BBC. You know without it we're all lost." The terminology has got to be messianic rather than simply, you know, we can do makeover programmes better than the competition. And so I'm just, I'm worried when I see the argument being defined in relatively 'we can do better than the other guy' terms at the next stage of the broadcasting revolution. The BBC has simply got to find a new way of being the BBC, not just a better something else.

Tim Gardam: Patricia?

Patricia Hodgson: I think that's right and that's why I am attracted, as I said and this is repeating myself really. I think it's done it in news and current affairs and I think it's got to find ways of doing it in the other big cultural areas so that there are two levels of question: has it created for the nation, I mean going back to Victorians again, you know they created this huge resource of museums and public libraries and so on. Those didn't develop with a changing society. The BBC has got to both create the cultural resource, and in many places do it in partnership, and then separately have a flexible way of delivering it as the market changes around it, so that there are two elements you are judging. One, the critical mass of creativity, you know the stuff in the archives as it were that is refreshed every day, and the other, what is out there in the market and how is this delivered, whether through broadband, whether in partnership with other people, whether in traditional channels?

Tim Gardam: But isn't Simon saying that the stake would be for the BBC to define itself in any way in market terms?

Patricia Hodgson: Yes because what I am saying is the BBC cannot avoid existing in the market that it has to do something prior to the market. Exactly what, it has to create a holy grail, whether it's in news and current affairs or drama or comedy or soaps even, but then how it delivers it is inevitably done within a market context. So it's got to engage at both those levels.

Tim Gardam: Jocelyn, you said earlier you wanted to make a point about market?

Jocelyn Hay: Yes, I agree entirely with Patricia here, very much so, but I think we keep talking about the market when in fact we should be talking about a broadcasting environment more because there are two reasons why this market is not a true market, if there ever is a true market. First of all in broadcasting advertising funding, it is the viewers who are the commodities to be traded by the broadcasters to the advertisers. They don't have that direct relationship with actually the commodities and that affects their attractiveness to the advertisers and according to their spending power. Secondly, the economics of broadcasting and film are different for instance to the newspapers because there aren't the same economies of scale. With broadcast programmes, all the cost goes into making the programme and, once that is made, the cost of actually distributing it is virtually low, very low indeed. You can replicate your CDs or you can broadcast it and there's no economy of scale in the same way as with a newspaper. If you sell 100,000 copies or a million copies, there's a huge difference. In broadcasting it costs virtually the same if you're broadcasting to one person or a million. The only people who benefit are the advertisers. So that affects the whole value chain and it affects the motivation behind making the programmes. Will it bring the biggest ratings or will it actually serve a purpose? So...

Tim Gardam: What implication does that have though for the size of what the BBC should do? On that basis, because of what the BBC does is fundamentally different, it should be everywhere.

Jocelyn Hay: I think it should and I'd then go back to its holy grail. It was set up originally to educate, inform and entertain and I think that's still what it should be doing and I think that's what people actually want it to do. And there is a range of programming that yes, the landmark programmes are fine and they should be there but the innovation, such as Sly said about Come Dancing or other programmes too, there are times when we all need different things. Sometimes we want Panorama. Perhaps tonight, after a day like this, we'll want something light like Come Dancing. So the BBC should be out there meeting them. But the other thing that I think the BBC is uniquely needing to do and able to do is to provide indigenous programming. That again is what most viewers and listeners want – programmes that are made here in our own language, our own cultural values for this market, not an international market.

Tim Gardam: But most viewers and listeners want that. Won't the market provide it?

Jocelyn Hay: No, it doesn't provide that. You've only got to go and look at....

Clive Jones: Why? This is nonsense, Jocelyn.

Jocelyn Hay: It isn't nonsense at all. It's not nonsense.

Clive Jones: At the very heart of the most popular programmes in the UK are, you know, British originated original programmes and they come just as much from ITV or from Channel 4.

Jocelyn Hay: Because ITV has public service obligations which it meets like Channel 4.

Clive Jones: No, because fundamentally people all over the world love original programming made in their countries..

Jocelyn Hay: Yes, they do.

Clive Jones: ... so it's not because of our PSB drive. It's actually driven by a commercial imperative. People watch Coronation Street and Eastenders and original drama because they like programmes based in Britain about Britain.

Jocelyn Hay: But you go to other countries, such as Canada for instance, where there is domination from the US market and the Canadian government has introduced stringent laws which put a levee on imported programmes to help to fund their own indigenous production because the economies of scale don't allow it to be produced there otherwise and that's what will happen here if we're not careful.

Clive Jones: That's true. If you look at all the trends in Europe, there is a switch back to original production. In Germany you've seen it. In France you've seen it and in other European countries.

Tim Gardam: Can I pick up from this wider point. If the market will produce big programmes that lots and lots of people will watch, does it matter that the BBC, if you like, continues to grow so long as what it is providing is fundamentally different to those purposes? So taking for instance what Janet was saying, the BBC will be in a much more variegated landscape, doing something much more subtler, much more subtle and much more specific in each of its purposes than what you would be doing.

Clive Jones: I think the thing that worries me most about this argument is, you know, this sort of it's our BBC, it's your BBC. You have to define what the BBC is. You know this idea that it has a mission to inform, education and entertain isn't enough. Broad definitions of it must be popular, creative, universal, transparent aren't enough. You know we have to start saying what is the BBC's remit and most importantly who is going to set this remit. It's all well and good to talk about service level agreements being set for each channel but who is going to set those service level agreements? Is this the sole purpose of the governors or is there a role for a broader regulator here? What is the relationship between the governors and Ofcom because Ofcom are the ones looking at the broad ecology, the governors frankly are looking after the BBC. That's not necessarily a bad thing but what is this balance here? And you can't work out the size of the BBC unless you've decided what that remit is, what its purpose is. So I actually think that public service broadcasting, public value can be defined and we have to break away from this context or this belief that public service broadcasting is what the BBC says it is. I don't think that is true. And, to use one of Mark's phrases earlier, you know it is when you see it. Well that isn't good enough. You know, do we want current affairs from the BBC? If it's a tick, then let's actually decide what sort of current affairs on what sort of level. Do we want arts? Do we want original drama? Do we want children's programming? Do we want religion? All these things are defined for Channel 4 and for ITV. They're not defined at all for the BBC. Now that doesn't mean that it has to be fixed in stone because we all know that this world is going to change every year, you know. Television in the UK is Maoist. You know, it's a permanent revolution. It changes every day. But that remit – and I think one of the roles of the governors and possibly Ofcom, I would favour Ofcom with the governors sort of taking a Channel 4 border approach – is to say over a period of time on a changing basis what the citizen or what the consumer should get from the BBC, otherwise you're giving the BBC a blank cheque and they're going to expand and expand and expand.

Tim Gardam: Can I take that up with Roger because it seems that we're getting into a rather odd position that we see a converged communications world, we see a much more fluid society where the notion of what a national broadcaster is almost becomes a contradiction in terms, and yet we're wanting to pin the BBC down with a whole series of drawing pins to exactly what it should do where and when. Is that a practical position to be and to have?

Roger Silverstone: I think it's an inevitable one. I don't dissent, I think, from what really actually Clive has just said. I think the one thing we need to avoid is – and I think the BBC needs to avoid – is it presents its case in terms as a deficit model, to produce a deficit model for public service broadcasting. I mean so much of the discussion has been in relation to market failures and the existence of the market. If the BBC is to have a distinct agenda, it has to define it with that, not as a compensation, but that which still leaves open the question what

is that to be. And it seems to me that, I mean metaphorically speaking, whereas the 20th century BBC was providing an umbrella for the nation, the 21st century BBC should provide a raft of resources for a differentiated citizenry to draw on the different points in different ways.

Tim Gardam: Terry?

Terry Burns: And I would like to press this question about how clearly we want the remit of the BBC to be. I have to say, I mean my instinct is that going to this world one does need some greater clarity than we have had in the past. If one is going to have good governance, it has to be governance in relation to purposes and remit that the BBC is given. And one of the frustrations I found coming to this is when one looks at the various documents that exist in terms of the remit that the BBC has been given in the past, it hasn't been at all precise. And therefore, you know, and to go back to where Tessa started this morning, you know, what is it that people complain about? You know they complain about some issues about standards, about me too programming, about repeats. They complain about at various times too much emphasis upon ratings, you know this issue that we get good programming on the run-up to Charter Reviews and you know the question that I'm putting to myself is how do we find a remit for the BBC and how do we next time round set this out in a form that gives us some protection against some of these things so that there are some clearer things against which one can judge whether the governance of the BBC is then succeeding. And what I'm after really is, you know, how much further can we go in setting this out? I think, you know, the BBC's document begins to take us down this direction but, you know, my personal feeling at this stage is that that is probably not going to be enough for when the time comes to bore the government to say to the BBC what is it that its broad purposes remit should be over the period ahead? I'd really like some help in sort of how it is that we move towards getting something that will be a workable requirement but which also doesn't fall into the trap of being out of date as soon as it's....

Tim Gardam: Those questions you're putting to yourself, let's put them to Mark.

Mark Thompson: Lots of advice now. We should be messianic but not Hillarian. I think. We should of course. I mean it's worth saying this document – and particularly as with the part of the document we've focused on, which is the broad cultural and social purposes of the organisation – are exactly that. They do not go into the fine print of precise delivery. What I would say partly goes to Howard's point I think, is that to me at least it is partly by looking at tangible outcomes against these broad social purposes that you should judge whether the BBC is succeeding or not. Historically, typically regulations focused on as it were metering the supply of programming – an x number of hours of this kind of programme, an x number of hours of other kinds of programme. Both I think Ofcom's approach and also the approach set out with these 5 purposes, at least offers potentially in answer to your question how will you decide what the BBC should do? How will you decide how well the BBC is doing it? What are the limits to what the BBC should do? I think it's potentially about trying to define more precisely what the objectives and ambitions are within each purpose - you know does a child who uses the BBC digital curriculum perform better in exams in school? Do they have a more rounded education than one who doesn't? Is that a good investment in terms of education? - would be one example of looking not as it were at the numbers of hours of education broadcast or the number of pages on the web of educational content but what difference does the BBC make? And I would say that yes, I think we should be looking quite closely at what the BBC but fundamentally looking at its success or failure in making a tangible difference against its purposes rather than focusing entirely as it were its context within the broadcasting market. That's really my point about the broader idea of market failure. And just go on to say, I mean I accept this point, that we should be careful about as it were the idea of a deficit model but we're dealing with two languages here. We have to confront the language of economics because the BBC has an enormous economic impact, not least the imposition of a licence fee. But the things that we talk about as areas of broad market failure in the language of economics, absolutely we should talk about in the language of civics as the cultural opportunities. So I don't, I see that really as a question of translating between the two languages. And finally, just to say I want to distinguish carefully between as it were the breadth of the provision which the BBC makes against these purposes and its size as an organisation. You don't necessarily need to have a BBC of the current size to deliver the

current breadth of purposes or programmes against its purposes and we've got to be careful about confusing those two. It might well be that a significantly smaller BBC could do a better job at delivering against these purposes.

Tim Gardam: I can't leave the final word to the BBC so I'm going to go to Philip. When you listen to Mark, would it matter that the BBC maintained or even broadened its depth of operations and its depth of influence so long as it became smaller? And secondly, from your experience, do you think it is inherent in the convergence of technologies that these problems will become more problematic for the BBC whatever it does?

Philip Graf: I think that, the first thing, I take Mark's point by the way very much that the size of the organisation and the size of what it does are two very different things, right, and I think one of the things we need to think about very carefully is about that. I think the online world is a very interesting precursor. As I listen to this debate, what I find people talking about what would happen to the BBC in a more competitive world? Well the BBC is in quite a competitive world. There's quite a competitive set in the online world already and there is a need for the BBC to be distinctive, to be clear about its remit, is very, it comes across very forcibly there. So, you know, you look at what the BBC does in that world and the danger that I see for the BBC as it goes forward that comes out of the online world, unless that remit is very clear and also goes through all of what it does and is governed properly is that you get what I think we talked about once before, a filter tip approach to the delivery of public service, right, and you see it in the online world, where you see a programme or a service which has got, which is there which could really be delivered. It's not distinctive particularly and on the top is a piece of distinctiveness, which is like a filter tip on the end of a cigarette, right. And in a sense I think, you know, you've got the BBC as it goes into this world and, in Mark's terms, if it's going to be truly distinctive then it's got to actually be clear that the programmes and the services it provides are not filter tip services but go the whole way through it. I think I'd make two very small points. One is, just to go back to an earlier point. I think one of the things the online world shows the BBC's ability to create a link with its citizens is really there and there is a real opportunity there for it to do that and in those terms be distinctive and do something different, very clear, and there's a very clear opportunity to do that. Secondly, in the interviews that we did and our research, people, although they recognise that each BBC service that they saw online was quite different and quite distinct, right, they recognise that underpinning it was a set of values, right, which they could define in broad terms as BBC values and they respected that and liked that and thought that was very important, that that set of underpinning values was still there.

Tim Gardam: And a final word to Simon Jenkins because he's not going to be able to be here for the second session. Simon, you started off by saying what's the BBC going to be like? That's what we should be addressing. Conclusions after what you've heard, particularly from the BBC?

Simon Jenkins: I can only repeat what I said before and there's no point in doing that. I mean I think, I do think this is a terribly exciting turning point in the BBC. There's no doubt about that at all. I would say that I don't think that, despite what the Secretary of State said at the beginning, you can necessarily assume that will be the general view of the political community. I mean I sit surrounded by lots of enemies of the BBC. I know them well and I don't think they're beat yet. And I therefore do think that the terminology you use as well as the conclusions you come up with as to what should be the future shape of this institution need to be very – I am repeating what others have said – need to be far more specific than these amazing vague abstract nouns we always heard in the BBC reports in the past. It's got to say why the BBC deserves to exist, not I mean motherhood. And that's I think a new challenge for the organisation because, even if it would like to exist and if it does succeed in existing, it's got to succeed in existing because it's proved its case and I think that's the thing to do now.

Tim Gardam: I'd like to thank the panel but there's one final metaphor I think I'd like to say which I think we should ponder which was Roger's, which is turning an umbrella into a raft. I don't know how you do that unless you sort of turn the umbrella upside down and get into it.

Roger Silverstone: The owl and the pussycat.

Terry Burns: Tim, thank you very much for that and for putting your questions. If people in the audience have got questions that they feel have not been put to the people who are sitting here that should have been put, if you please write them down and hand them to people from the department and we will try and return to them later on. Otherwise, we'll now have a coffee break. Then we're going to come back and focus rather more clearly on the issue about how we measure success, which takes on the discussion and now tries to put some more kind of flesh and bones. Thank you very much.

Short Refreshment Break

'How do we measure success?' Panel discussion

Terry Burns: Could I start again, please? Three points first of all. One is there was a note that was issued about public purpose and I think there is a slightly fuller version of that note which is available and it's either on chairs or it's going to be circulated by DCMS officials. And also if anyone hasn't got a copy of this document, which is being issued today, then there are plenty of copies around. And the third is if I could ask people to switch off their blackberries and put them onto 'wireless off' because it is the blackberries that are causing the interference with the system and which are creating some problems for the panellists. And so you've got to treat this as if you are on an aeroplane and would go down to the bottom right-hand corner and 'wireless off' otherwise we will crash. I'll now hand over to Howard, who will introduce the next discussion.

Howard Davies: Thank you, Terry. At the end of the first session, we had homed in I think on the question of definition and how the BBC and the government together in the Charter Review process could define the purposes of the BBC in a way that would be clearer for the future. Now of course the BBC themselves have made an attempt to do that in their document Building Public Value, which I do think moves things on quite interestingly. I think it's a bold attempt at the beginning of this process to set out a way forward and it is meant to be fairly specific. It's referred to as a hard-edged tool in this document. Terry asked the other day is this old wine in new bottles, but I think the analogy really is this is a kind of BBC makeover programme. And the basic idea of it is a service licence that would be given to each part of the BBC, each channel. We might come on to discuss just how disaggregated the concept of public value could become but the basic notion is that there should be a service licence and, as Dermot said, that would be issued by the governors and reviewed by the governors from time to time. And the basis on which these licences would be issued, as I understand it, is through assessing the propositions put forward by the management against what I think I would have to say frankly is a slightly complicated set of values and screens. The document begins by saying that there are 5 elements of public value, which it describes as democratic value, cultural and creative value, educational value, social and community value and global value. Then, however, when you come on to look at the section of the paper about precisely how the public value test would operate, in fact the assessment would be done against 3 values, described somewhat differently this time – the individual value, the citizen value and the net economic value. Then, if you look at the way in which the screening process would proceed, you go through an assessment of reach quality, impact and value for money, and then find yourselves back at the original 5 values, having disaggregated that assessment. And if I didn't know better, I'd say that someone with a McKinsey background had had a hand in this. I think a number of questions arise on this, which I hope we can debate, and I think we've probably got to the point in the discussion where we can have a more open and free-ranging debate in the remainder of our time and so I won't be as directive as Tim was and I think his style reflects his BBC ancestry of course. I've pulled out 5 sets of questions really. One is how does this relate, how does this definition of public service broadcasting and public values relate to the Ofcom definition and how would they sit alongside each other? They're not quite the same. Interestingly, Ofcom includes entertainment, as did the original BBC charter. Entertainment in this document has been edited out. We aren't going to be entertained in the future. Secondly, how will this process work in practice? Will we see, for

example, there's a lot of talk about transparency. Does that mean that we would see as it were the bid coming out from the management going to the governors and then the governors' response on it? If this was an arms-length regulatory system, that is probably what you would see. You would see a proposal from an entity and then the regulator's response to it. How will that operate in practise? There's also related to this question of process on a couple of occasions in the paper the references, rather brutal references, to passing and failing and that there could be a failure of a proposal for a service licence, which implies the definition of a rather clear pass/fail frontier. And I think that comes back to Clive's point about how – and this is in the way of the BBC's new taxonomy – that is where this question of definition would arise, i.e. does this meet the public value test. And there is an implication here of a binary answer to that question and I think it would be very interesting to know how that will be devised. And then there is an interesting issue of exceptions, that you could have an exception to the public service remit agreed by the governors. Will that be, will we be notified of that agreement? What sort of exception does that mean? That on one Saturday night BBC2 will be exempted from its public values requirement and will be allowed to entertain us instead? It would be useful if we knew that in advance. The third set of questions I think is is this really a management tool? In other words would it operate effectively and create a tool which individual managers of the BBC would use below the top level because we all know, and I mean Mark will understand, I mean this in the nicest possible way, that it isn't really Mark who determines what's on every schedule every Saturday night. And therefore the question is whether the schedules, the programme makers, the programme commissioners have got here a tool which would allow them at the origination point in the cycle if you like to operate according to the public value test. And it would be interesting to know therefore how disaggregated the use of this test would be. And then, related to that, I reflected on the extent to which the public value tool would actually help with the sort of key decisions in practise that the government needs to make and the Ofcom document lists some of these – the question of derivative formats and how much use you should make of those, the question of how you balance the schedule at peak times, the issue that the BBC is sometimes accused of aggressive scheduling against other people's public sector broadcasting offer, the character of news and current affairs and how does this public value framework influence the way in which you make those decisions, which are the ones in practise from month to month that will influence the character of the BBC's public service broadcasting. My last of my 5 questions is another ambitious aim set out in here, is that this process should stand in place of the external reviews that have been commissioned from time to time at the BBC, particularly by DCMS, notably of course most recently Philip's review of the online services. Is that realistic? I mean is it a realistic ambition for the governors to think that they can actually replace that element which has been part of the environment in recent years where every now and again the government commissions a review of News 24 or online services or whatever it may be and is this a robust enough mechanism to be able to replace that kind of intervention? As I said at the beginning, I hope we can have a debate around these issues and I throw out these questions not for the BBC immediately to have to answer them. I hope that the panel and the others will discuss these and how they would see the value of this framework. But to kick things off perhaps I could choose question 5 and throw it at Philip really. Do you think, having just completed one of these reviews, that the [INAUDIBLE] process, as described here, would in future replace the need for this or could you still see a value of independent reviews from time to time?

Philip Graf: Those of you who have read the report will know that I'm not a great fan actually of the independent review process. Having conducted one, I think there are issues about efficiencies, there are issues about learning curves and things like that which go to it, therefore I would start with a proposition that I hope that this process can replace it and that, if it is a, if the governors, the set up of the regulatory function of the BBC is set up properly, i.e. that the roles and responsibilities of the governors are clear, they have the proper support, right, external support and external input, then it should be able and possible to do this and this should be a more efficient way of continually monitoring the BBC's outputs. I mean what I find was that the, what you find is that people have referred to it earlier in terms of the licence fee, in terms of the Charter Review that, you know, over the last year or so a cynic might say that the BBC got religion about certain aspects of BBC online and in terms of cleaning it up and tidying it up. Now there are probably argued, arguably to make other reasons for why they did this but there was a remarkably coincidence. Now maybe that's a good thing but it

might be nice to have that on an ongoing basis, on a regular basis that this process didn't have to happen once every four or five years. The one other point I would make is that part of this whole process – and in a sense I'm moving on to answer another question, forgive me – is that if you're going to make this work throughout the organisation, what's very clear is you need to have a clear process in place which links, right, the governors right the way down to quite a low level in the organisation in terms of objectives, in terms of accountability, in terms of incentives within the organisation to perform, right. And that linkage has got to be clear and transparent throughout the organisation.

Dermot Gleeson: Can I join in from a governor's perspective? I mean I think what we recognise is that it's not realistic for us to anticipate that the enthusiasm and pressure for external reviews is going to disappear overnight. We have got to win back confidence. I mean my own view – and I would say this wouldn't I? – is that our government's arrangements, certainly in the 4 years I've been there – have been working progressively better and we have to a remarkable degree been imposing our will effectively on the management. The problem – Gavin Davies mentioned this in an interview the other day – is that up till very recently we've been very reluctant to say anything rude about management in public. In consequence, the process of governance has been to most people largely invisible and that has to some extent eroded confidence in it. The new Annual Report represents a – last week's Annual Report – represents a sea change in that respect and I hope you've read it. I mean we express ourselves with precision, clarity and robustness on the performance of the management. And our hope is that as we continue to make our activities more transparent, if we implement the changes I was talking about in the last session, reinforce our independence and are seen to adopt a much more systematic and rigorous and transparent approach to governance meeting...sorry to decision making and above all perhaps make ourselves seriously accountable to the licence fee payer, then over time confidence in our arrangements will be restored and reinforced and against that background we will be allowed to undertake, albeit using external advice, the sort of external reviews that have been done in the last 2 or 3 years.

Howard Davies: Could we come back then to the issue of whether definition, which is kind of where we started really, and whether people feel that this definition, the 5 values, etc., is getting closer to something which isn't a deficit model, as Roger described. Roger, do you think this is getting closer?

Roger Silverstone: Well I want to say something quite sort of spannerish in the workish, possibly. I mean I'm completely in favour of an increasing accountability in matters of broadcasting. I mean there's no question about that. But it seems to me that the notion of public value as such is deeply flawed. First of all it confuses two things. It confuses something called public value, which is the sort of ineffable civic qualities of culture, which are impossible to assess, even historically, and the capacity of the public to make judgements about what is valuable to them. And I think that unless those two things are separated, you're confusing two things and actually measuring one thing and calling it another. It seems to me too that public value speaks to two things to the notion. One is what I would call the marketisation of culture, and this goes back to the culture and the things that the BBC produces has to be valuable in a market sense and I think that whatever happened to public service? Whatever happened to the public interest? And we now have something called public value. And I also think that it indicates a second dimension, the kind of displacement of responsibility and we all know about that but in this case a way from broadcasters to an audience in many ways respectfully and rightly but not necessarily convincingly or usefully. And the third thing – and speaking as an academic and someone who has spent the last many years in fighting off an audit culture – I think there's a real danger of an emergent audit culture, which has all sorts of consequences, not just financial but I mean the lawyers sitting in, you know, in new super post-Hutton will be joined by the auditors doing public service public value tests. I mean I obviously exaggerate but the idea that that is now something that is again, it's a kind of infantilisation of the professional role in any profession and I think it's an infantilisation. There's a danger of infantilising broadcasters in the same way.

Howard Davies: Apart from that, you're pretty.....

RS: Yes, of course.

Howard Davies: Patricia?

Patricia Hodgson: Well I've certainly got some sympathy with resisting the audit culture and infantilising it. I mean I see it in every walk of life. As soon as you reduce something to a series of tick boxes, all judgment flies out the window. However, I don't think that negates what I think is underneath this aim and it seems to me that if at the end of your considerations you were to endorse some definition of the role and remit of the BBC that related to something in the area of values and contribution to a democratic society in our culture, whether these or slightly focused up, but if you were to do something like that then what you are talking about is what are the processes that create a pressure on the BBC to do this other than having something like this every two or three years and exhausting everybody and not allowing the BBC to actually get cracking on a reasonable medium term strategy? Because I mean it's quite clear that this kind of public pressure is what really concentrates the mind, so you're trying to find something that's not doing this every two or three years but retains that public pressure, which brings us back to Dermot's point about are the governors able to do this? The governors can work when they are people of independence, personal authority and some courage and they need certain things to help them. Now these tools, whether or not they're the right ones, are reasonable because they are the tools about public value, that is to say they're talking about serving the nation rather than that straight competition with ITV, i.e. share. They are putting quality quite high up, which is something that, you know, we know how creative our creative colleagues are and how they can argue about quality, you know, the most appalling programme and, you know, in the end you sort of put up your hands and say "I can't bear this anymore." Impact, obviously important if you are using public money. Value for money ditto. So I take it that, whether or not these are the right ones, they are the ones that, they are an approach to helping the governors have some tools that relate to medium to long-term public interest or value, or whatever word you use, but that gives them a sort of pull against the things that naturally come out of management, which is 'Are we being competitive?', 'Did my programme do better than yours?', the natural imperialist tendencies. And these are tools which would enable the governors to make themselves pretty unpopular within the BBC because you question, Howard, about pass, fail, what happens, I take it that the governors would have to issue warnings that would actually mean that controllers would depart. Now actually that is how companies work. That's what makes the difference between success or failure. You know do you appoint the right people, do you reward them properly and then do you manage their exit? And that's the most difficult thing in the public sector to do. So I take it that this is actually an approach than one shouldn't see it as a detailed sort of you know type audit. One should take it as an attempt to give the governors tools to enable them to be effective.

Howard Davies: Jocelyn, do you think that when you stand in front of a WI and describe what you think the BBC should be doing and how people should think about assessing it, are you going to be able to articulate the public values of the BBC taken from this document? Do you find that this helps you articulate what the BBC is for in a way that would be understood by the people you are talking to?

Jocelyn Hay: I think it will help. I do think that. But we're talking about a lot of intangibles here and this is part of the problem. You can quantify certain things but it's very difficult to quantify the benefits of culture and democratic issues and values and this is one of the problems, actually putting hard money on it if you like and hard remits. But I think, as far as the question of public inquiries goes, the governors can do so much. They can do quite a lot and probably relieve the need for so many public inquiries but from time to time I suspect there will still need to be some public inquiries to stress the independence if you like less the governors get too complacent. But I do think this has gone quite a long way to quantifying things but again, coming back to the fact, the BBC needs really I think to be there setting standards in virtually every area but it also does need to focus. And it's not a question of market failure because it's a limited market and that would limit it far too much but it is using its resources, its brand – don't let's forget its brand – and the goodwill that exists outside to the benefit of all. And I think this will help and will help people to understand it better. There's a big educational job to be done and it's not done in the public domain very well. The DCMS

has on this occasion tried to involve the public I think much more than previous governments have but it's very difficult for the average person to find out what is actually happening to the system if you like, the broadcasting system. The newspapers don't tell us much about the legislation for all kinds of reasons – sometimes their own, sometimes simply because they think people will be bored. So, unless one is actually a bit obsessive if you like about learning more about the situation, it's very difficult for the average person to do so but I do think this will help.

Howard Davies: Good. Janet?

Janet Finch: A simple point really, which is about different types of review. Quite a lot of what's been discussed this morning in relation to this new framework seems to me to be the sort of thing that any organisation should be doing for itself all the time on a regular basis and I actually quite frankly think it's the job of management and not necessarily governors to be doing that, with governors overseeing that management are doing it properly. But that's a separate point. But this is about the sort of regular review of how people are receiving what the organisation is offering and being responsive. This document uses the word responsiveness an awful lot and it's about wanting to respond quickly. You know, I don't want to wait 5 years before somebody finds out that a key aspect of this isn't work and another 5 years before they do something about it. So a lot of this is about getting that right. I think if that is right, then that is a job for the BBC itself, management and the governors, provided it's being reported in a transparent way and that the responsiveness is there. I still think that there have to be quite separately from that opportunities from time to time for somebody other than the BBC to drive a review, which is much more standing back. It's much more about how is the environment changing? How might the purposes be changing? How are the needs of the population changing? And do we need to shift direction in some way? Now that's a quite different sort of exercise I think and should properly driven externally and not from within the BBC.

Howard Davies: Tim and then Philip.

Tim Gardam: I am in the midst of doing one of these independent reviews at the moment and it seems to me listening to people that this public value test document defines two rather different things. The first is, as Patricia said, as a tool it offers a counterweight in terms of providing a principle and getting principles into focus from the inevitable day-to-day pressures on management, competitive pressures on management, and how something which gives a clear focus to what is it the BBC is there to do. In terms of it being a tool for the governors to replace external scrutiny, I think the difficulty is this, that my experience in the midst of this at the moment is that you would need to be able, the governors, to go and talk to the competition outside the BBC with the same sort of dispassion and objectivity as if you had nothing to do with it, whereas it seems to me that this document is, this test is also being defined as a means for giving permission or not to something. And I think it would be quite difficult for the governors to be able to go and say talk to, if there was a new radio service, to the commercial radio industry as the same way to get that same, reach that same dispassionate process. I think there is a conflict, inevitable conflict of interest there. And so I think the primary benefit of this tool is that it will allow the BBC to see itself as others see it and to prioritise or rather to be more inclusive about who those people are. Obviously its first accountability is the licence fee payers but also I think what a lot of today has been about is recognising it's got a second accountability to the rest of the world in which it exists. So I think if it's seen as being asked to do too many things, it might actually damage the one thing that it could best do.

Howard Davies: Clive, could I ask you, I know you want to come in anyway but could I ask you to cover a couple questions? One is this point that I raised about whether this would you think, as someone who occasionally is a victim of the BBC's activities if you like, whether it would give you some comfort that they would make these decisions on the difficult issues, the sorts raised by Ofcom, in a more, in a broader way? But also secondly, do you think that all of the BBC services currently pass this test or would some fail?

Clive Jones: In answer to your second question, no they don't. But I think more crucially, I think however this is done the regular outside scrutiny of the BBC is at the very heart of keeping the BBC honest if you like. One has to recognise, you know this is possibly the most important cultural institution we have in this country and I think there is general support, even for those of us in the commercial sector, that the BBC is a good and a strong organisation and long may it survive and prosper. However, this key issue of outside scrutiny, how it's done, who does it and how regularly it is done I think is absolutely crucial going forward. I take all the points, you know, one doesn't want this sort of endless auditing of the BBC. That's not a way for a creative organisation to develop and deliver what it is supposed to deliver. But can the governors really separate themselves from the management? Is that possible? Is it feasible? You know we've seen over the last year times when, you know, the division between governors and management have got confused and that's resulted in problems with the BBC. If they are going to be the regulators but in addition doing the things that the BBC governor was describing, they are actually going to be the ultimate policy body, the ultimate strategy body. I'm not certain those two things are always compatible. We've just gone through a long and arduous process to end up with the one regulator for the commercial world because I think the general view was having two or three regulators actually resulted in confusion. You know the ITC, which was a very good regulator, sometimes got second-guessed by the Broadcasting Standards Authority. Is that a good thing? So if it's right to have one regulator, do we suddenly want to revert to having two? And let's remember the BBC is a great big market intervention. You know it's funded by government money. Is it right to have such an important, the most powerful broadcaster in the UK, regulated in a completely different way to the rest of the market? You know, is there a logic in that? It doesn't seem to have a logic. And I think the question about the BBC services I think was answered very simply and straightforwardly this week in, we had Philip's Report, which I actually thought was a very good, well considered, well thought out, balanced view of the BBC's online activities, which said the BBC has overstepped the mark in certain cases and they should reconsider and have a degree of balance. Within a week of that report being published, you know, the Director of the BBC in charge of that part of the activity is talking about the BBC providing broadband services and providing a search engine. Well did he ever actually read that report? You know it's the question of scrutiny. You know what is the purpose of this organisation and are they going to take into account whether it's the views of the governors or it's the views of Ofcom or it's the view of outside auditors? It doesn't really matter. What is the relationship between the management and this on-going outside scrutiny because there has to be one?

Terry Burns: Can I just, one point I'd like to make. I realise the issues of, you know, governance are inevitably linked to this issue about how we measure everything but I would like to if possible steer away from too much about particular form of governance because we do have another session that is directed towards it and I'd like in a sense the emphasis today to be more about can the governors by using these means, you know how effective can they be in delivering the purposes and the remits rather than the issue or one regulator or two or separation of things. Although I mean that's not to say I don't think they should be made rigidly points but we're just in a slight danger here of moving into a different topic.

Philip Graf: Without wishing to guess what the chairman just said, I'd make two points. One is I think my comments in a sense are governors neutral. I think the idea of having within whatever the government structure should be, I am in favour of that situation. I think the second point I'd make, it comes with the views of services, the second point I'd make is there is perhaps a case for a longer term view but perhaps that's a discussion about how often Charter Review should take place rather than a conversation about yet another review process because this seems to me what some of the issues being raised this is exactly what's going on at the moment. But underneath that, I'm not sure whether, depending on government structure say, whether there's a need for constant intervention and independent reviewers.

Patricia Hodgson: Howard, would it be fair to say this little bit about what's accountability and what's regulation – and I'm speaking out the top of my head, which one should never do because it's extremely dangerous – but would it be fair to say that there are kind of three levels that we're talking about? One is what are the purposes of the BBC, which it would

seem to me can only be done in this kind of review because it must come up from the people who pay the licence fee through the democratic process and can only be settled by parliament. The second is how are those purposes, once they are agreed on for a period, delivered, which would seem to me to be what we're talking about here, with the governors as a strategic and supervisory body. And then there's the third element, which is regulation, which actually is different from that strategic and supervisory delivery of the purposes and for another occasion but actually Ofcom, in terms of competition, has quite a lot of regulatory powers. And then when you come to talking about the governors, I think trying to work out the relationship between Ofcom's competition powers, which of course they haven't begun to flex their muscles, they are huge, and how those will link with the governors carrying out their strategic development because there will have to be an engagement there because the governors won't be able to just carry out that role without testing it against Ofcom.

Terry Burns: I have in some ways a slightly similar question, which is that if we get to the position where we define a purpose and a remit, whether it's in terms of public value or it is some other purpose and remit that we give the BBC, whoever it is who is actually going to then do the testing as to whether or not they have abided by that and they have fulfilled it, do we actually have the tools to measure it in order to give whoever it is some satisfaction that it has been achieved or it has not been achieved and whether it needs some course correction as you go along or not? And it's this particular point that I am most anxious today that we should focus on rather than who it is who's doing it or it is whether we have the tools to enable any of us, anybody to do this particular job?

Mark Thompson: Howard, can I just pick up on that. Yes, I mean I think that's right and it's worth saying that we may well all feel an antipathy to a wholly metric approach to this and to what Roger called an audit culture and I think there are probably creative dangers in over-prescription and so forth. In other words, it should be clear that functionally the governors, the Secretary of State and others are having to make choices as between the alleged benefits and the alleged disbenefits of the BBC services. They are actually practically having to weigh these up when you decide to give permission for a new BBC service like BBC Online or some potential new service, which would absolutely have to go through this process or a new search engine or a new web service. Functionally what has been happening already is people have been trying to weigh these things. What the, I take the public value test and the associated framework for measuring performance, what they're about is attempting to give more shape and a higher level of codification to the process of balancing benefit and disbenefit. And I mean two or three points to make. I think, I mean Caroline Fairburn who is in the audience is the architect of those. I mean I think Caroline and all of us would accept and certainly the governors would accept this is a contribution to a process of developing these tests. I think trying to explore with Ofcom whether there are ways in which these ideas and some of the ideas in the Ofcom Phase 1 Report can be brought into line with each other needs to be explored. I also think it would be very useful if, through the course of this year, the governors and their support tried to do a couple so we can actually see, we can see how this works when you put a live BBC service through it because clearly, you know, weighting is very interesting. You know how different attributes and different parameters in the multi-dimensional array that Howard laid out for us so elegantly, exactly how you weigh different parts of it matter. But to Roger what I'd say is, I mean what I find, I mean I think you've got to be careful about assuming that this as it were cancels out into a system of basically asking the public what they want and giving it to them and using their public measures to put the public in the driving seat. If you look at the performance framework, there are some quite interesting ideas around peer review, around an attempt probably qualitatively to examine innovation and so forth. So in a way it's actually, I think it's a centrist approach, which is neither trying to turn both the public value test and subsequent performance management into an absolute quantifiable tool but is – I would use another tired phrase – is attempting to develop a kind of more balanced scorecard precisely so it's not just ratings which dominate internal management decisions. And I think to Howard's question number 4 – or was it question group number 4? – although the public value test and the service licences are to be set by and administered by the governors, I think the overall conceptual framework absolutely should flow – and this goes to Philip's point as well – should flow down the organisation so that the objectives of individual programme makers and individual programmes are absolutely

cognate with the ideas and the objectives set out in the high level service licences and the high level public value test.

Howard Davies: Roger?

Roger Silverstone: Just to respond. Of course I mean I was deliberately overstating the case but nevertheless I think that nevertheless serious and hopefully speaking with caution. But the issue about ratings you're absolutely right because the difference between – and I'm sure you're aware of it – between formative and summative valuations. I mean a summative evaluation you do when you've got something under way and you can actually work out whether it's meeting purposes and you develop a set of techniques you know to access its success or failure. Formative evaluation is altogether a very different thing and I'm not certain that in this document that distinction is made clearly enough. So, for example, when you've actually said we're going to conduct a series of tests on something yet to come, the evidence that you provide is a set of values, a set of procedures that are based on things that are already in place. And the idea – I've always hated this but this is my prejudice – of asking people to put a market value on something they have no idea about in advance of it happening and see that as a basis for some kind of real valuation of something seems to me to be completely barmy. But I mean that's just simply a single process. The difference between the summative and the formative is absolutely crucial.

Howard Davies: I need to hand this session back to Terry reasonably soon because you've got some questions from the audience but I wanted....

Terry Burns: Yes. There are a couple of other...

Howard Davies: ...first of all to see if the two panellists who haven't contributed on this yet – Sly and Alice – wanted to come in? Okay.

Alice Rawsthorn: Go on, you first.

Sly Bailey: Thank you. I'd like to ask a question of Mark. You talked in your last point, Mark, really about the alignment of goals and objectives right the way through the organisation, which then come back up to you know measuring overall performance.

Mark Thompson: Yes.

Sly Bailey: Can you tell us, are you culturally quite a long way away from that at the moment or is that something you've been moving towards? Do you have the organisational capability or is it a big leap for us to, you know, to understand that that's actually quite a big ask from where you are now and how you are going to have to change the organisation to be able to deliver that?

Mark Thompson: Well I think there is actually a pretty, pretty strong culture of objective setting down the organisation. I have to say that I think we are talking, as Tim and others have hinted, about a change in strategy in the BBC and that will need to be communicated down the system. Something else, which I think is a real challenge, it will be for any organisation, is – and not just with the BBC but with the broader creative community – is trying to find the right combination of clarity about purpose and therefore the delineation of what a given service, you know a given genre is going to try and achieve but also the sense of giving people real creative space in which to do their best work. And I think striking that balance, I mean you can see the dangers on either side. I mean you either, if you allow too much creative space then this is for the birds because they're going to carry on regardless. If there's too little, the danger actually is you actually begin to reduce the, you know, perversely the amount of public value, if I can use that very difficult term, that the organisation provides. So there's quite a delicate balance down through the organisation as through prescription, delineation and room for manoeuvre.

Sly Bailey: Is it, would you describe the BBC as a performance-driven culture?

Mark Thompson: I think the organisation is extraordinarily good at focusing on goals and achieving them but the hard thing is arriving at the right balance of goals and there's always a danger, if I'm being honest, in the BBC of a bit of a zigzag. What are you interested in? Are you interested in distinctive exceptional programming or are you now worried about ratings? Shall we transfer? And I think it's trying to find a broad balance....

Sly Bailey: By performance I didn't necessarily mean rating performance. It means, you know, back to your point about the balanced scorecard. The quality of it can mean a number of different things but...

Mark Thompson: I think two greatest things about the organisation. One, it is extraordinarily good once it's clear it wants to do something. I mean, you know, Freeview is one recent example of just going ahead and actually achieving it. It's extraordinarily good at that. Secondly, the other thing about the BBC which is also I think a great strength, it is remarkably good and has been good over decades at reinvention. The BBC of 1960 has transformed from the 1950s and so on. So I think, and we are at potentially another transformational moment. So I think actually it is a responsive – to use that word – responsive organisation once you are clear about what you want it to do and it's the strategic clarity and trying to convey the sophistication of a given strategy which is the challenge I think for senior managers.

Alice Rawsthorn: Well that point about clarity sinks neatly with the question I wanted to pose because it seems to me that one of the arguments underlying all of this and also the discussion earlier this morning is the perceived lack of clarity of purpose of the BBC and many speakers alluded to the perceived vagueness of this. Tim talked about the vagueness of the Charter. Terry said that he'd been wrestling with the issue of whether the purposes of the BBC needed greater organisation definition. And now Dermot spoke about the need to restore confidence in the governors and surely this whole process of measurement and transparency can't be possible until we the public know what the BBC is striving for and what its defined objectives are. Do you both, as representatives of the BBC's management and the Board of Governors, feel that actually it would be more helpful to you should those objectives be more tightly defined in the future?

Dermot Gleeson: I, maybe this is complacent of me but I think this document does take us forward a long way in terms of defining our purposes and I personally would be reluctant to see our objectives and our remit narrowed substantially further in what is a very fluid and uncertain world. I mean Terry was saying earlier that one of the reasons that the remit needed to be tightened up was that the world had changed and I have to say it does seem to me that it's precisely because the world is continuing to change in ways that we can't currently predict that we need a fairly broad measure of freedom if we are going to respond creatively and effectively and to the advantage of the public to the challenges, some of which are unforeseeable, of the next 10 years. So I personally would be reluctant to see the objectives and goals of the organisation narrowed and brought down to a lower level than the one that's been adopted in this document.

Alice Rawsthorn: But if you take that position, given that I imagine all the people sitting here today have read Building Public Value and yet have all said they're confused and puzzled as to the purposes and objectives of the BBC, how do you reconcile those two positions? Isn't taking your position opening the BBC up to continuing criticism on that front?

Dermot Gleeson: It's a bit like a great novel - the second time you read it, you will achieve greater understanding.

Mark Thompson: I want to make a slightly different point, which is that Building Public Value is a, it's the first part of something. It's the first part of something. BBC 1, which is you know by some measures you know one of the most, you know, important media entities in most people's lives in this country, gets a few paragraphs in Building Public Value. Building Public Value is a broad policy and almost philosophical framework for setting out the BBC's future direction. How Building Public Value translates into services and what those services should do is the work for the coming months. How Building Public Value translates into what kind of

shape and size of BBC, how it should work, how it should partner others, how in detail the public value test, all of that stuff is work to be done. This is very much the first, you know the first contribution to that future and I have to say that in my view we are doing the right thing, which is this setting out of broad purposes, which are necessarily high level, followed by a public debate about them. Then, as we go on to dialectically to consider services, governance, shape and structure, this is the right way it seems to me of having a proper debate about the BBC, you know, as it comes up for Charter renewal. So I feel rather good about where we are, though I recognise this document doesn't have all the answers.

Clive Jones: But how does that relate to Dermot saying he doesn't want it to be any more prescriptive than this?

Dermot Gleeson: I mean I don't think we're saying different things because I entirely accept...

Clive Jones: I'm probably hearing different things....

Dermot Gleeson:...that one has to translate these high level purposes into practical proposals and the purpose of a service level agreement between the governors and BBC 1 would be to do exactly that. I suppose what I'm resisting is the possibility that the new Charter will have the kind of content that ought to be in the service level agreement and that's my underlying fear.

Tim Gardam: I think there's just a problem here which needs to be untangled. On the one hand Mark said quite rightly that the BBC has to in its own terms work out what it's doing, is it doing well? It goes to Simon's point about it needing a sort of messianic purpose first and foremost. On the other hand, the other thing which this document shot through with is the need for differentiation. And it seems to me that, if you are going to have measures of differentiation, you are going to have to therefore be able to have a framework for looking at this which has absolute links to the way we look at what the rest of broadcasting is doing. I mean Ofcom are working hard on trying to quantify quality and actually are making a slightly good fist of it, much less my price. I've changed my mind on how far that is possible but in the end I think the difficulty for the BBC is if what they're saying is somehow public value is our way of doing things, market impact is what other people do, we are setting our own self-reverential system around what we do, they will get themselves into the same problems they're in at the moment and in the end this system has to link very clearly with a clear set of parameters to what the rest of the market has been measured by in terms of public service regulation.

Mark Thompson: I mean I agree with that. That's exactly right.

Dermot Gleeson: And the public value test is an attempt to give us a transparent tool which will enable us to have a dialogue with the rest of the market and give people a better understanding of, you know, what kind of decisions are likely to be made.

Mark Thompson: A transparent tool as well as a hard-edged..

Howard Davies: Could I just round this up and then I'll hand it back over to you. I mean I think that there may be a greater measure of agreement about this than perhaps is immediately obvious, says he optimistically. First of all I think that, if you look at the way in which people set objectives for organisations in the regulating world if you like, you can broadly look at a spectrum of inputs and outputs. You know we could say that the role of the BBC for the next 10 years is to produce 16½ hours of sport a day. You know we could be defined in input terms. I think no one's arguing for that. We are talking about a sort of output definition. The question then is the tension between not wanting to be too vague on the one hand, on the other hand too specific to damage creativity, etc. My feeling however in trying to deal a little bit with Roger's point is that the question the BBC has to recognise, I mean to recognise the parameters is that if you've got £2½ billion of essentially public money, there's no chance that you're going to avoid some kind of auditing process. That's going to happen. And if you don't set out your own output objectives, then somebody else will come along and

set them for you and then audit you against what they thought up. Therefore paradoxically some definition of the outputs and a test – let's call it the public value test – may generate you more freedom and creativity and space if you like than less. That's the best I can deal with my colleague's point. My view, just as a personal point at the end however, is that there's a risk in this and it's a point that nobody picked up. There's a risk in this of being too solemn in the definition whilst still not being clear enough on the big issues of scope. And it, you know, reminded me a little bit of sort of health food packaging. You know it tells you all of the fantastically good things there are in, how much bran there is, how much fibre, how much vitamin A, but it's disgusting. You know the lack of sort of, you know, entertainment and spark in the definitions, it's very worthy definition and yet I think Clive would say, and I think with some justification, still it doesn't quite tell you if the BBC is exceeding its remit and it still doesn't quite tell you, you know, where the BBC should be containing its inter-relations. But, as I say, that's a personal reaction.

Terry Burns: Well thank you very much, Howard. Many of these issues we will return to because of course the issue of governance will take us there and also, as we get into some specific issues, such as news, culture, education, etc. we will return I think to some of these where we will have the opportunity to look in a bit more detail at some more specifics about remits and about ways in which one will apply the test. I have had some questions in. Some of them I have to say I will be saying are issues which we will be discussing at greater length on another occasion but just so that you can get a feel for them, one says "If posts which over people are able to buy programmes more directly through subscription or pay-for-view, does that not diminish market failure in broadcasting to some degree?" I think a good question. It is one which we did I think talk to some degree about earlier on but does anyone have anything further that they want to say on that issue?

Jocelyn Hay: I suppose what I was trying to say earlier was it clearly has diminished market failure in many areas but I was trying to argue it would create new market failures because particular funding forms drive particular types of programming and won't support others.

Tim Gardam: I think the other thing about our system at the moment is it's in market terms slightly Alice In Wonderland or Alice Through The Looking Glass insofar as the most valuable material, the most expensive to make material is material that's available first to free-to-air. Would you claim that as a major democratic benefit if that's the case? I think there is an interesting issue in terms of how far in the future as this market develops you will have a windowing process whereby material will indeed be free-to-air but you have to wait to get it and that obviously has to accept from it news and current affairs and certain types of programming but I think there is a different model that might emerge.

Terry Burns: The way some sport is, highlights.

Jocelyn Hay: Yes, could I say, there is obviously a market in subscription terms for programmes like sport and movies and to a certain extent children's channels, if children want to keep up in the playground. But the most interesting analysis, as Tim has said, of the research that Ofcom has produced of the share and the content across the market channel world is the fact that not only are the terrestrial channels still holding their own extremely well but it is those channels which are re-broadcasting programmes which were originally broadcast free-to-air either on the BBC Channel 4 or ITV in fact which are filling the majority of the subscription channels. It's ironic really that people are actually paying to see old programmes that have been as repeats bundled together in different channels when the largest complaint that one hears about the terrestrial channels is that there are too many repeats free-to-air. But if you analyse the content of most of the satellite channels, they are re-broadcasting material and programmes that were originally free-to-air, which proves my point that what people are actually looking for is indigenous original programming that was made in this country.

Terry Burns: Well you lead me on straight in fact to the next question I have here which says "The BBC has massive archives. Why are repeats mainly of well-known items, Faulty Towers, Yes Minister, etc.? What about the many other programmes that could be viewed which were brilliant and we are not seeing? I think basically we are not seeing enough of the archive."

Mark Thompson: Well I think that's right. I mean one of the things Building Public Value talks about is trying to open up ultimately the entire archives so that the people who pay for it, the public, can access any of it at any time they like. So that's the ambition. I mean in the meantime on as it were the limited spectrum of analogue channels, you know it's not surprising that 5% of the most popular and best-loved programmes get you know shown more regularly than the other 95%. But I think the idea of opening up the entire archive is a good one.

Terry Burns: Having said that, I was on an aeroplane this week going to New York, last week, and I saw two people watching DVDs of Yes Minister on their laptops, which shows how programmes drive programmes.

Howard Davies: You don't need to, Terry.

Terry Burns: I don't need to. A question, I think this is more about how programmes are made. "Could you discuss the essential role PSB has in covering events, art, etc. rather than focusing on broadcasting as an end in itself. Broadcasters have become different animals, promoting their own roles rather than the events itself. Hence we now pay heavily for presentational overkill, multiple commentators at sports events and that good broadcasting should be unobtrusive." I'm not sure that any of us are qualified.

Mark Thompson: It's quite an interesting philosophy. Well I mean, I don't know. I mean I think that actually, one point that I thought Patricia made brilliantly earlier on and which I completely agree with is the way in which the BBC really relatively recently, I mean under John Birt in the late 1980s, identified using current affairs because it was less true of the BBC as an absolute central pillar and kind of locked it into place in a way where it's never going to come unstuck as a central pillar. Should we do that with other categories? Well interestingly I do think that in sport what's interesting about the BBC is some of those commentators, some of the analysis that the question is complaining about, they do again speak to that tradition of authority and of trying to impart understanding and the rest of it. And there is a reason why, you know, people will, when there's a choice of the same event covered by two broadcasters, will characteristically turn to the BBC coverage. I mean we've most recently seen in the closing stages of Euro 2004. So I'm afraid I feel that kind of adding....

Terry Burns:rather than uniting the population. So this is a, I think getting the whole impression of how one is dealing with smaller groups.

Mark Thompson: But to me, I mean my point to the contrary would be that at our best, I mean I think there is a role for some targeted programming and, you know, one thinks of for example different languages being broadcast in I think 27 languages in the UK and I think focusing on particular languages is an example of, you know, valuable targeting but it's when we do Goodness Gracious Me and we open up a particular cultural world to the entire audience, that's very different. That's not about super-serving. It's absolutely about opening up the richness of our world to everyone. And that's really where I think our main focus should be.

Dermot Gleeson: And all our research into the aspirations and requirements of the ethnic minorities indicates that that's what they particularly value – sharing their culture with the wider community.

Terry Burns: There's one that I think we'll probably have to deal with here on another occasion, which is keeping the debate of the BBC's role of social glue. We're factoring out diverse culture and presenting differences and changes in society and what is the role of music in this purpose? I think I'd prefer to leave that and pick it up when we do the cultural seminar. Two which are sort of on the news are. One, independence for the BBC is taken as given yet government pressure is constant and viewing recent history successful, how can we be sure that this cannot happen again? We have two seminars coming up for which this is relevant. One on governance and indeed we have one which is going to deal with the issue of informed democracy, which will be news, etc. And I think I would leave that. I'd like to leave

that for another occasion. And a similar one says independent reports from media tracking and others have demonstrated the BBC has failed in its Charter duty to cover topics like the EU and the EU role impartially and what new procedures will the BBC put in place to prevent any further failure to provide impartial coverage of political or other topics, which again I would see as, you know, we have a, I would like to do that. I think that falls into the governance and the news seminars we'll be doing. And then someone is saying that the broadcasting giant in the UK missing from this discussion of the market is BSkyB and it's odd that we're talking about the BBC expanding too much that we've not mentioned BSkyB and its continuing growth within the market and shouldn't the government insist that the Ofcom review of public service television should extend its review to BSkyB and obligations should be extended? Is that your question?

Tim Gardam: Unfortunately BSkyB is scribbling very hard when the BBC announced it was going to lock itself into sport in the way it had locked itself into news and current affairs.

Terry Burns: I think again that's for another day, BSkyB. And my final question is also I think for another day. It says the governors are in denial about their failure to govern over recent years and when will they resign?

Tim Gardam: That too is for another day.

Terry Burns: I think I'd just like to give one last opportunity in a sense for everyone on the panel, if they have anything to add. It should be a discussion basically of the purposes of the discussion that we have had today and shall we start at the far end?

Jocelyn Hay: Alright. Well I would like to come back again. If we're talking about public value, I don't think you can entirely leave to another day the question of BBC cultural patronage. I think that is something which maybe the BBC shouldn't be doing. We wouldn't have started from there but if that is lost, the whole country and our nation will be the poorer for it because I can't see anybody else picking up that tab. So I think from public value that's absolutely essential and is one of the things that people appreciate when they learn about it. Very few people amongst the general public actually know and understand just how widely that goes, whether it's on radio or on television. So I think that should come in. If you're talking about the size of players, as Clive Jones was saying, in the BBC you might also look at the size of the income which by 2007 ITV, the combined ITV income is forecast only to be £2 million. I think it is below the BBC. BSkyB is already much greater and the BBC share is going to diminish. So I think that again puts that argument into perspective. And just generally, just to sum up, the feeling that we have is that with all its faults – and it does have many faults and we want to try and rectify those – there is enormous public support out there for a publicly-funded, publicly-spirited BBC which has a proper public purpose and this document, I think, helps to go some way towards that. Maybe it needs more refinement but it certainly helps in that focus.

Terry Burns: Thank you very much, Sly. Have you got anything to add? Yes.

Dermot Gleeson: Just one thing, that, as one or two people said, at the end of the day – I think it was Sly who said it actually – what matters is the quality of the programmes we put out. At the heart of this document is a commitment to eliminate derivative programming and to improve the richness and quality of the schedule. That's the objective and all the other discussions we have had about processes, including governance, have to be eventually conversations about whether or not they will help to achieve that objective. Everything else should be subordinate to that objective and it's important throughout this process we don't lose sight of that.

Mark Thompson: I mean I think this has been a very interesting discussion. I mean this document doesn't claim to have all the answers. It's the start of, you know, some thinking about the future of the BBC and a lot of things, I think the solemnity point is a direct hit which we need to take away and think about. I think looking exactly at how we translate broad public services into something which is quite enough to pass muster in terms of the anxiety of other competitors and the rest of it in terms of the shape of particular services but also loose

enough to allow for creating an illusion. That's a key point and there are many more, so I mean I found it very interesting, very useful.

Tim Gardam: I think briefly the one thing we haven't got enough into is one of the issues is the BBC's focus and definition. One way one can begin to get to that is about finding what it should not be doing and what the implications are not doing particular things and I think that's something which we must return to.

Patricia Hodgson: I'm encouraged by us beginning to think about how you build up from a critical mass of creative quality in various areas – journalistic information or cultural. I hope the commission will be open-minded about if you take that as the core of what the BBC does, that probably nobody else has the same resource or funding stream to be able to do, I hope the commission will be reasonably open-minded about how the market or consumption is changing so that the output will be consumed in lots of different ways and then that would bring you to what struck me from this morning as the unsolved nub, which is how you reconcile the common-sense of having governors scrutinise the implementation of that purpose versus Clive's point about competition and the effect on the market. And I think that there's not been enough thought about that.

Clive Jones: I'm reassured by Mark describing this as the beginning of the journey, that, you know, the proof will actually be where the BBC finally ends up. It is going to be working through the balance of allowing a creative organisation to continue to make great television, which it has done in the past and from time to time continues to do so now, and having an organisation that actually is truly accountable and actually delivers to its remit, you know. It's not about new services. Also this is what is BBC 1? I'm thinking back to a speech Mark made in Banff. You know, is BBC 1 still going to be a mixed channel which informs, which entertains, which educates or is it going to be a popular entertainment channel and the rest of it's actually going to go onto 2 or 3 or onto 4? What is the role of news? What's the role of current affairs? What's the role of arts? You know is Alan Yentob going to be stuffed back into the cupboard as soon as Charter Review is completed? Education, children's programmes, nations and regions? You know I am wonderfully encouraged that the BBC are talking about, you know, rediscovering the North. Well the North has been there quite a long time. I'm worried why they haven't been sort of worrying about it for the last 50 years. You know we're not leaving the regions but we are more than welcome to actually welcome you back though.

Terry Burns: Pass you on the motorway, Clive.

Clive Jones: Only to Wales.

Alice Rawsthorn: Well Simon Jenkins began this by talking about rights and privileges and the privileges is the BBC for receiving the licence fee and the rights are ours, the public's, in having confidence that we have a BBC that informs, educates and entertains. And one of the things I did find most cheering about building public value is that it seemed to point towards a BBC that also wanted to inspire. Lots of people have referred to a phrase, I think it was coined by Michael Grade and he used it at the presentation of building public value in saying that the BBC did get religion every time the Charter Review came around. And I guess our job on the panel is to try and make sure that the BBC keeps it this time.

Roger Silverstone: Two final things. I think so much of the discourse this morning seems to me about boundaries, boundaries around growth, boundaries to separate from public value and the market boundaries around public value boundaries around them. I think that's the intellectual task it really needs. It's not just what goes inside by how the boundaries are to be drawn at every level in this discussion. The second point I just wanted to make is just to go back to something I mentioned at the very beginning, which really I don't think has been picked up perhaps reasonably, and that is you know a recognition that in 10 years time the broadcasting ecology is going to be very, very different and maybe the need now to actually do some more imaginative world – scenario building, alternative scenario buildings – and what that might mean for the BBC in a relative, you know, the strength of digital, the increasing fall of broadcast audiences relative to satellite and other viewers and online

viewers and so on. Those things need to be worked through and understood because I think at this stage it hasn't been.

Philip Graf: Just a couple of points. One, to share agreement, what's just been said really, in that regard about boundaries in particular. I think online for me was an issue about boundaries and governance and the two things are inextricably linked in my mind. And you know just a more general point, the broader the remit, the tighter the government's process has to be.

Janet Finch: A completely non-profound point, I'm not sure that anybody has mentioned radio this morning but if we're talking about the public purposes of the BBC, radio has a very important role to play.

Terry Burns: Okay, thanks very much. Well we are going to be having two seminars on the subject of radio and indeed some of the other issues that have been mentioned we will be coming back to because we do want to look at some of these items in some greater detail and they do include the culture to do with news and to do with a number of the other issues that have been raised. I regard, you know rather as you report Michael as saying, I regard part of our job is to try to help to design something that comes out of this that means that we have some mechanism whereby the BBC has religion all of the time in this definition and it isn't subject to fluctuations. I think one also wants a system that is capable of dealing with the criticisms that we've seen from these various surveys that is there and actually there are some quite common strands that come through them and we should have a system that is able to both pick them up, to identify them and to be able to put in a process of [INAUDIBLE]. We also need a system that can cope with the fact that the world is going to change and in 10 years time this whole world of broadcasting is likely to look quite different from what it is now. And we have to again have a system of remit governance, etc. I think which can cope with that. And, you know, above all I agree with the point that says that you cannot distinguish this issue of remit from governance and regulation, that if you want a broad remit and you don't want to have to be too specific about what your task is, then you need to have some reassurance that there is a process in place that is going to be able to live with that. If you don't want to have that kind of process of governance and regulation in place, then you probably have to have something which is rather tighter at the outset. And one of the, the task I think we've got you know when we talk about balance, it's about balancing those two things as well and how to get the right combination of that. But it has been very helpful and I am very grateful to everyone for their participation in beginning to, you know, to identify some of these issues. I've been conscious throughout in looking at this and sort of thinking of this seminar series, you know it's very easy, you know this is a circle, you know you keep coming to the same things. You don't know where to start, you know, and where to break into the process and I mean inevitably we've drifted off today into one or two of the other areas but I think that it has served very much the purposes that I hoped it would and so I'm grateful to everyone for participating. It is just the first in a series. We will notify you when transcripts are available and about the future dates of seminar. Kate Biggs, who is sitting down here, is the secretary to the panel. It's her job, as she has done today, to make sure that they run very smoothly and we've got a set of people here so any comments about the seminar series, I would be grateful if you would pass them to Kate and there is a light lunch and refreshments available outside the meeting room. Otherwise, thank you all very much.