

**INDEPENDENT PANEL ON CHARTER REVIEW
SEMINAR - SPORT
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INTRODUCTION

LORD BURNS: Good afternoon everyone and welcome to this, which is the 12th in our series of seminars on the future of the BBC. First of all one or two housekeeping issues: the BBC have kindly provided cameras in the room, which are providing a live web feed and I would be very grateful if people could turn off their blackberries and mobiles please. And that doesn't mean putting them to silent because we've actually got to turn them off. We had a most compliant group of people this morning. There wasn't a single buzz on the loudspeakers and we have to try and do as well this afternoon because otherwise it does create chaos with the sound system. The ladies and the disabled loos are located on this floor around the corner from the lifts. The men's loos are downstairs I'm afraid so you're going to have to take some exercise, which is what we're about today of course. In the event of fire, the exits are clearly marked but I hope that we won't need that. There will be opportunity for others to participate in the discussion, although the main discussion will be around this table and at various points I shall be asking you to see if you want to contribute.

Can I first of all welcome the people who are here on the panel. First of all Janet Finch, my colleague from the Independent Panel – and we have a number of experts here around the table – Kate Wallace, Director of Communications from Sport England; David Davies, Executive Director of the Football Association; Simon Clegg, the Chief Executive of the British Olympic Association; Kelvin McKenzie, Chairman of the Wireless Group and, just to show that I never hold any grudges, I've invited him back for a second time even though he tried to wreck my previous seminar on radio; David Owen, who's the Sports Editor of the Financial Times and of course I'm very glad to welcome Peter Salmon, Director of Sport at the BBC.

At most of our seminars we have at some stage tried to focus upon what the remit and purpose of the BBC should be and how that may be changing in the multi-channel and in the digital world, whether the tasks that it will have for the future will be the same as those that it had for the past. We have also been taking an interest in how we hold the BBC to account for the purposes that it has set itself and of course some of the government implications of that. Now we've had from the BBC a submission on sport and we've also had some responses from some of the bodies and those papers are in your packs and I'm very grateful for all those who have taken time to respond and to the BBC for their paper. We only have a couple of hours I'm afraid this afternoon and we can only scratch the surface of this issue. We also have to try and look at all sport I think and not just football - which some of us may otherwise be quite tempted to do - and we're also interested in some of the wider issues about participation. The plan is I'm going to ask Peter to speak first of all to his paper about what the BBC are proposing in this area. Then in the first session to concentrate the debate on the BBC's coverage and whether or not it's right and whether the things that they're doing are the right things and how that might change in the future and in the second session to look at the BBC's wider impact and its role in increasing participation. So Peter, could I ask you to lead us off please?

Peter Salmon: Thank you, Terry. First to say I'll try to keep this fairly short. I think the wonderful thing is that sport is pretty much now central to the BBC's remit. It's a thriving

area of BBC programme life. It's part of our remit with the DCMS. It emerges as a key part of our promises in Building Public Value, our Charter Review paper. It's there because it meets audiences' needs for quality and variety and impact and access to public life. We ought to provide exposure for sports and events where they might not otherwise be provided; certainly to become a guardian of some of the major public events in the UK; of course to encourage public interest and participation in sport, which I think is an increasing public purpose of the BBC. We do this in a number of ways I think. Clearly the big national events are crucially important, from the Six Nations at the start of the year and the FA Cup, right through to events like the Olympics and the Paralympics this year. On occasions it's about delivering some of those unifying public moments. We had our biggest football audience this year for the England/Portugal game. The Six Nations' audiences are up by 40% since that competition returned to the BBC in the fall, which is good. I think also we have a responsibility to care for and promote and develop minority sports. We've covered 41 different sports on the BBC this year. It was terrific during the Olympics from Athens that 14 of those different sports had audiences of more than 4 million. Interesting there just in terms of how we built excitement but also in the potential of some sports to develop. This is not just about network coverage on the radio or on TV. It's also what we can do through our local coverage. We're now much more co-ordinated and combined around particular local services and ideas from the Super League Show in the North of England to the Gallic Games in Scotland. That's of increasing importance to us in how we acquire rights and how we provide editorial coverage. Of course I think we ought to make the very best of our different platforms, so that when you get occasions like the Olympics where the BBC is in the fortunate position through the EBU of owning rights across all platforms, we can drive audiences and interests through our broadband, our digital channels, television, Radio Five Live, etc. etc. I think a crucial statistic this year in terms of sport and digital technology are the 10.6 million people who pressed the red button for the Olympic service, which is 2 or 3 times as big as the nearest largest use of the red button interactive television for Wimbledon. I think increasingly we're becoming adept at developing ideas alongside our partners. The BBC has now raised, with our partners, more than £30 million for social good across Britain and the rest of the world and we see that as increasingly important in terms of driving participation. 81,000 people took part in one of the biggest mass runs that Britain has known and alongside that we raise a lot of money for good. A couple of final points, I think the national conversation around sport is incredibly important. Whether that is the sports summits - we're planning up to 10 sports summits across the UK in the winter this year with, again with our partners - Sport England and UK Sport - or whether it's the Five Live 6.06 phone-in show, sport is absolutely part of a national conversation, whether it's the bloke in the pub or politicians and financiers. I think it's increasingly important that we are able to justify the large amounts of money that we spend on our sport coverage and our sports rights. We spend on average 10% of the BBC's annual budget on sport and in television terms it delivers about 10% of the output. I think, at the cost of about £1 per month for a licence fee payer on sport, that's decent value. Clearly that's why we also want to increase the audiences for sport. It brings that cost down to its licence payer. Just to talk about two or three themes going forward for us, one is increasingly driving innovation, particularly in the digital field. Whether it's building on the successes of the Olympics interactively, people interacting with sport on television or our broadband services, whether that's the Six Nations or the Olympics, we see that as having increasing importance for sport on the BBC. We've recently brought together all our work around grassroots and driving participation in sport under the umbrella of Sport Action on the BBC and that unites everything from Sport Relief to our now thriving Sport Academy website. Again, the interesting thing I think about doing my job and providing sport on the BBC is the need to acquire and invest and deliver

successfully those major public events, whilst providing a consistent narrative for diverse sports. I'm pleased to say that in the run-up to the Olympics in Athens, 20 of the 28 sports which featured at the Olympics gained some substantial coverage on the BBC in the run-up, so it's a delicate balancing act between the kind of major big events and supporting diverse sports with a consistent narrative.

LORD BURNS: Okay, Peter. Thank you very much. As I say in the first half of the discussion I'd like to focus on the issue about whether the BBC provides the right coverage of sports on its services and in particular too to focus on the way in which the world is changing and the advent of digital television subscription in television and the whole question of what it is that is provided by the commercial sector and how the BBC should in a sense fit in with that. Who would like to kick off? David?

SESSION 1: DOES THE BBC PROVIDE THE RIGHT COVERAGE OF SPORTS ON ITS SERVICES?

David Davies: Thank you. I think the first thing is I'd like to say that this document is terrific. Whoever prepared this document...

Kelvin McKenzie: There will be hundreds of them.. [inaudible]

David Davies: I know, I've done that as well but.. okay, sure. Sorry, begging Kelvin's pardon, I think it's a good document because it does set out what it sets out to do, which is put the BBC's case, whether you agree with it or not, that's point 1. I learnt that the BBC covered 41 separate sports. I have to tell you I missed the tai kwando and I missed the speedway, even though I in a previous incarnation was a Bellview fan, and I missed the archery other than at the Olympics, but I, do not go away with the idea that those of us in the bigger sports only care about the bigger sports and we do think it's important that the diversity of sport in this country is covered. If I may marginally disagree with my good friend, Simon, from the BOA, of which I'm proud to be a member. He says in his response "It's the BOA's belief that sport in British Broadcasting too often means football." Well I don't agree with that and I'm sure he'll...he won't be too upset if I say that. I am glad that there is a recognition of the wider responsibilities and the grassroots responsibilities of the BBC in this document because I think going forward people will expect the BBC to fulfil that role. But I have to say that I'm worried if I am to believe everything that is in this document that the BBC is trying to do too much. I don't necessarily think that - I think the danger is that they are seeking in this document to spread themselves too thinly. 10% of the annual budget is by the government's standards I think impressive. Personally I think that sport is absolutely right at the heart of the activity of this nation and when I am told in the front of the document that after news this is the genre that means most to most people in this country, I might think that 10% was a bit stingy. And I know the aspirations of people in the smaller sports through my work with the BOA and they feel passionately that still, despite 41 sports being covered, that other than at Olympic times their sports are hard done by. And speaking for myself, I think that they have a case, which is not to say I think there should be less football.

LORD BURNS: But could you just deal before you finish with the issue about, with football? I mean as we now have wall-to-wall football on subscription channels, you know indeed you can spend almost the entire Sunday watching football from the UK...

David Davies: The England coach does.

Kelvin McKenzie: He doesn't spend the whole of Sunday doing that.

David Davies: Very good.

LORD BURNS: Could I remind you that these are not privileged circumstances. Where is it that you see the BBC fitting into this? And I think you know it's a very stark case that may emerge in other areas where, an area where there is clearly more and more sport that is appearing on television as a result of the digital world and do you think that as far as football is concerned, from your perspective, this should change the remit that the BBC set itself in football?

David Davies: I believe that live sport as opposed to recorded sport has to be the future. I recognise as a traditionalist to some extent that interactive services are going to change everything. I think people of, dare I say, our generation are still a bit frightened of the red button and what might happen if you press it. But in truth we aren't the majority who are watching sport. I hope that the BBC, I think the BBC has to be able to compete, which is not to say that other channels, should bow down to the BBC in any way whatsoever. The future has to be as competitive as Kelvin wants it to be. The BBC has a privileged position in my view only to the extent that it has a reputation which has been built up over many, many years and in the same way as the BBC gets that boost in its audience when there is a major news story, national or international. The BBC gets an audience of 23.9 million for a football match like Portugal. Am I right in saying, Peter, that's the biggest audience of any television programme this year?

Peter Salmon: It's our biggest, that's our biggest ever football audience and also it's the biggest audience in the year, yes.

David Davies: Yes, and the second place was the Croatia game Peter? That's what I would say.

LORD BURNS: Okay. Simon, how do you feel the BBC deals with sport? Is it doing the right things?

Simon Clegg: Well certainly from the experience that I have of working with the BBC, they certainly do want to develop partnerships with key organisations be it governing bodies or international federations, and the experience that we've had over a long period of time where the BBC have been the rights holders for the Olympics I have to say has been extremely positive. And it is a real partnership and it develops and it manifests itself right down onto the ground at the Olympic Games, where the BBC are putting huge resources behind actually supporting the athletes, something that's not commonly known, that British athletes could sit inside the Olympic Village and watch the BBC coverage of the Olympic Games and not be forced to watch the somewhat...I was going to say hostile, but not necessarily hostile but certainly somewhat biased coverage of the host nation. And it goes beyond that because then the BBC would provide exactly the same sort of service into Cyprus, so that those athletes still in Cyprus preparing to come into Athens could see what was going on from a British perspective of the games. And they'd do it up where the rowing team were staying away from the Olympic Village in Athens. And I think that that demonstrates a sort of investment that the BBC has demonstrated that they are prepared to put in, back into sport to make sure that of course the athletes have the best possible advantage. But of course it's mutually beneficial because, if the BBC weren't prepared to work in partnership like that, then we may struggle to find athletes for them to interview. So it is very much mutually beneficial. I think what needs to be acknowledged is that sport has undergone – I'm looking across the broad spectrum now – certainly the government's objectives through sport have changed substantially about 10 years ago, where quite frankly prior to that time there was very little interest in elite level sport. Prior to that, the

government's objectives to sport were very much focused on sport for all and participation at the grassroots level. The introduction of the Lottery, the introduction in the British Academy of Sport as it was originally conceived by Ian Sproat when he came back from Australia, which subsequently manifest itself into the UKSI, has suddenly ensured that there has been a significant shift in terms of the government objectives through sport, in terms of making sure that British athletes are returning with medals and I question whether that significant step change has yet to be fully mirrored within the BBC. Other good examples of the BBC and sport is it's not just about the programming. I think, you know, huge credit should go to BBC Special Events. I think we saw, we witnessed two major events in this country this year that quite frankly wouldn't have captured the public imagination, or certainly wouldn't have been able to have been delivered in the way that they had had it not been for BBC Special Events getting behind arguably what was a non-sporting event, and I'm talking in particular about the torch relay - it's the first time that the Olympic torch came back here since 1948 - and of course the parade through London when the team returned from Athens this year. I do, however - and you won't be surprised - wish to go back to the point that David raised about there is a belief within the majority of sports that when one talks about television focus, in the main you're talking about football and then secondly you would add into that rugby, cricket and golf. But outside that the vast majority of governing bodies really do struggle to get any proper airtime outside the Olympic Games. David said that, you know, he was referring to the table on Page 3 of the Report, which listed 41 sports, he'd missed off 3 apart from the Olympic Games. What I would like to see is the table that has been redefined actually showing the Olympics as a separate line item and then we would really see how much coverage was given to the other sports, outside the Olympic Games, and that would be quite interesting from my perspective. Peter mentioned in his opening address that 14 sports enjoyed audiences of more than 4 million people at the Olympic Games. My question really is, is that because of the uniqueness of the Olympic Games or is that because actually there is a very significant spectator base out there, which is probably the silent, possibly even the silent minority, who actually are members of, support, or are interested in following what some people would describe as minor sports. So very much at the high level I'm comfortable that the BBC is moving in the right direction but I do think that they can do more because I do believe that they have a responsibility for firstly promoting but secondly educating people, particularly in an era of government objectives through obesity. Not everyone is gifted with their feet and a football. Some people may wish the opportunity to explore and to be exposed to other sports and to be educated about those sports and to be given the opportunity to know actually how they'd follow that up. And I think there is an educational responsibility there for the wider sports that's being missed. I think the final point that I've got is that - and it would be remiss of me not to take this opportunity - to mention the London Olympic bid because if we are, as I believe we will be, successful with the bid on 6th July next year then quite frankly the whole way this country views sport will change. And I question whether the BBC yet have started to get their minds around how they're actually going to engage and maximise what is going to be a wonderful opportunity, which will be very much driven by a government objective to overcome some of the obesity issues.

Janet Finch: Can I just ask a sort of supplementary question to the comments that both Simon and David have made about minority sports, so-called - they've been everything outside the big four as far as I can see, and that is do your comments apply not only to the broadcasting of events, sporting events - that's to say whether live or recorded, it doesn't matter, but actually the events themselves - do your comments apply both to that and to programmes which are as it were about the sport - news about the sport, how to play the sport, personalities within the sport, all those other sorts of things which I think happen as

well certainly in relation to football? So is the problem more than simply the airtime given to the sporting events?

Simon Clegg: I think I touched on that when I talked about the educational responsibility of the BBC. I think at the moment they could more effort into it. That would be my perspective.

LORD BURNS: Kate?

Kate Wallace: No, I would agree with what Simon said. I'd echo your messages on the Olympics and particularly with 2012. I think that there is also a real focus within the BBC on the big days, which essentially has been said by both David and Simon and I would really encourage the BBC, picking up perhaps some of Professor Finch's point, of being much more imaginative in its coverage on sport. We've seen some fantastic programmes this year – The Big Read, End of Story, Restoration, etc. – and those have all galvanised audiences for subjects that haven't been thought about and viewed in this way before and it's my challenge to the BBC to find ways to galvanise support for sport in that way as well. We absolutely, as Sport England, welcome the BBC's commitment to help develop grassroots sport but it...and the slot on Grandstand at the moment in grassroots football is fantastic but it isn't just about those kind of things and I think that I'd like to see BBC and Sport run them than just BBC Sport. Product mix has been touched on already and I'd endorse everything outside the big four with the Olympic sports but let's also see some sports that kids want to see. Let's see the extreme sports. You know 16-18 year old boys, they spend more time on their skateboard and the equivalent as well as football and some of the other more traditional sports. We need to begin reflecting that in the kind of programming we're showing them. And obviously you are doing lots of work, or the BBC is doing lots of work with technology. It must be ways that we can really encourage the sports themselves maybe to have a think about how it should be televised. We like the idea of single set tennis, we like 20/20 cricket. There must be ways where we can fight for share of voice for some of the sports that aren't being looked at at the moment. But the obesity debate is huge, something that Sport England is taking very seriously and has a campaign running and I think you'll see that increased in months and years to come. And what we absolutely don't want to see is everyone become a nation of armchair athletes, that somehow we need to get across that yes, you're here to provide fantastic programming but also I'd quite like people to be able to do a bit of activity as well.

LORD BURNS: Kelvin, what do you think about what the BBC is doing?

Kelvin McKenzie: Well I disagree with, it's a thin old document this, but not least of all because in the area I'm interested in, radio, it mentions just once that it has the Premier League, which of course is the centrepiece of Radio 5's ability to keep its audience up. There is also no relationship - in fact if there was any relationship at all it's the other way round. There is an inverted relationship between the amount of football on television and the number of people playing it, right. There was a big hoo-hah recently looking at why so few kids were playing football and it's because most of them sit at home watching it, so actually you could have an argument which says scrap all sport on telly and actually the obesity issue would be solved tomorrow. But I think the arguments that the BBC make – and it's hard to know what their argument really is - that they're basically a social cause now and they've finally found - it makes you die. You know you've got to admire the BBC in some these things here. They've found obesity as their big issue now, so they're now claiming that the BBC will

make you healthy. 'The BBC and the nation's health', Chapter 4, I ask you to read it. You'll die laughing. The fundamental issue about this is that sport can be done on any form of output you like. Now you don't need 27,000 people wandering around, right. Cameras can do all this themselves. You know literally CNN do all their producing from Atlanta based on a studio in London. You can operate cameras anywhere you like. It doesn't take, quote, "experts with 80 year histories" to do it. People can set up digital TV stations on very little money today and actually pointing at camera at somebody with a football at their feet is not rocket science, right. So the idea that there's some kind of genius and drama associated with having to pay a tax of 121 quid a year to supply showing somebody running around a track, I mean I would honestly urge you guys, if you were concerned that your voice wasn't getting over, it doesn't cost much money to go onto digital television these days. It costs you less than a million pounds a year to get your slot on Sky and that way we can be watching athletes until its coming out of Alkazoo (?) and many of the issues where you claim that the BBC doesn't give you what you think is a fair crack of the whip. And why anybody in this world is entitled to a "fair crack of the whip" is beyond me to be honest with you. But there is enough digital bandwidth now to hold any sport you like 24 hours a day. We do not have to rely on a programme director deciding for us in the world we are in today how much and which sport we're going to be allowed to see. And this is going to become more so not less so, which is why the monopolistic aspects of a public funded civil service running a television company, right, become more and more ludicrous and why these debates have changed dramatically. These kind of debates could not have happened 5 years ago because nobody would have understood them. So digital television is actually removing the power – not that I dislike Peter at all – but from Peter and his colleagues, and giving an opportunity to big sports rights holders to think about their own future.

LORD BURNS: Okay. David, on this issue about whether you think the BBC is providing the right coverage of sport on its service in terms of balance, amount, etc and the new world, how do you take that?

David Owen: Well I rather agree with, I didn't find this document wholly convincing either. I think in terms of what you might call big ticket events, I think there really should be a debate about the BBC's role, if any, in covering them. And I think because of all that Kelvin said about the development of digital television, now is a pretty good time to have it. I might have missed it but I didn't see any reference in here at all to the approved list of events. I'm not quite sure what it's called but you know the...the listed events. Well it sounds like I probably did miss it anyway.

David Davies: Its on page 8.

David Owen: But I think there's a basic point, is that if it weren't for that list of approved events that have to be shown on terrestrial television come what may, the BBC with the best will in the world just would not be able to compete for top of the range live sport. I think there's a debate actually to be had over whether having a list of approved events is still what's best for sport or what's best for the country but certainly I think as to whether the BBC should involve itself and I think this paints a slightly rosy scenario because if you take away the events that are on that list, I would argue that the sort of main draws in the BBC's portfolio are no longer the absolute top events in their sphere. I mean I'm sorry, I read what was in there about the Six Nations. I think that the two big tournaments for rugby now are the Heineken Cup and the World Cup. Football, with all due respect to David, you know the FA

Cup is no longer the trophy that Alex Ferguson, although he won it last year, wants most in his trophy cabinet, you know.

David Davies: What about the England team? I mean is that a minor interest or is that...would that count as a major...?

David Owen: No, but I was interested to ask you whether you'd like the ability to be able to market the England events that you can't properly market at the moment because of the approved list, whether you'd like to be able to market in public. It seems to me it would solve quite a few of your financial problems. Anyway, the same with football you know.

(?): It would certainly help towards paying off the play-offs wouldn't it?

Peter Salmon: I don't think they're covered by the listed events at all, the England internationals.

David Owen: Well the World Cup...

Peter Salmon: Well the World Cup and Euro (?) but not the qualifying and regular games, they're open to the markets.

David Owen: No. But that is your biggest audience of the year.

Peter Salmon: They're not from that list.

David Owen: Euro 2000, Euro 2004...

Peter Salmon: Yes and that's very important.

David Owen: ...is not on the list?

Peter Salmon: Oh no, that is yes. I'm talking about individual England games outside (INAUDIBLE). It's just a point of reference.

David Owen: Alright but England Portugal was covered, right?

Peter Salmon: It's crucially important.

David Owen: Yes. Yes.

LORD BURNS: So you're saying for the, in a sense for the big four – football, rugby, cricket, golf, saying that...

David Owen: Well there isn't any live cricket coverage I don't think for understandable reasons because you've got to set aside 8 hours to do it.

LORD BURNS: But you're saying that in those cases that going forward, if there were no protection from listed events, then it would become extremely difficult for the BBC to be able to...to win in terms of the cost of the event. Now where does that then lead you as far as the rest of sport is concerned and the points that have been made that we should be giving more time to those sports on BBC television?

David Owen: Well I think it needs to be, it needs to be led by the audience. I mean it depends how many people are watching them doesn't it? I mean it's all very well moaning about too much football but isn't that what people want? I don't think you can quite be as clear-cut because we saw with badminton for example, I mean I don't know what the audience figures for those two badminton matches are but it's huge. And you could argue I suspect that if there were more badminton on television you'd possibly get a larger audience than you expect. Having said that, I mean there's going to be very few badminton events in a four-year cycle that are going to have quite that edge to them. So no, I think you need to be led by what the audience apparently wants.

LORD BURNS: David, you just want to respond to this question. Would you sell all these listed events to the highest price if you could?

David Davies: The situation is in the recent past we have specifically gone with the BBC when there was a better deal to be done. That is a fact in recent times.

David Owen: Right. And why did you decide to do that?

David Davies: Because frankly you have to balance up, we still have a situation where digital television can only provide a limited audience to us. That is the truth. And you have to, we also feel that there is a responsibility - this goes back to our, the question that a lot of us agonise about all the time – who are football fans? The traditional answer to that question is they're the people who come through what used to be called the turnstiles. But if Kelvin had been a football fan for 30 years and then sadly in his dotage was unable to go to matches and yet relied, because of his health or whatever, and had to, relied completely on his television set to watch football, surely we have a responsibility – I mean I speak with a bit of an interest, as we all do here as we get older – but you know we have a responsibility to those people.

LORD BURNS: Can I also just make one...

David Owen: But do we have a responsibility to get in free there?

LORD BURNS: But he can get all of this on, he can get all of this on Sky Sports for the cost of, for a month for the cost of one ticket to Chelsea.

David Owen: Exactly.

David Davies: Well my point is this, at the moment, at this moment in history that we have to deal with and we've had to deal with, the audience that we get for the BBC is...

LORD BURNS: What about going forward?

David Davies: ..in the future our successors will have for sure a more difficult decision to take, and I do agree with Kelvin on that point. Can I just refer back to the other question that you posed rather well, that my initial reaction I regret to say was rather frivolous, when you talked about other programmes around sport. I do have to say to all other sports that wider coverage about your sport isn't necessarily a good thing. I mean the idea of Anglers' Wives is one of the things that I would worry about so...

Janet Finch: I think that's a function isn't it?

David Davies: We're onto something here.

Janet Finch: Can I actually just, as David's come back to that question, ask a slightly different version of it, which is that in one of the submissions that came to us for this seminar was from the Women Sports Foundation, an interesting document, setting out amongst other things the case for the BBC. Although it in their view has made some considerable improvements in the extent to which it addresses women's interests in sports, whether that was their personal activity or seeing sports that other women play, still feels that in essence the BBC's approach to sport is serving its male audience better than its female audience. I make no comment on this but it was quite a strong point made to this Panel so I'd like people's reactions to it.

LORD BURNS: Peter, do you want to wind up all of the challenges that you've had so far?

Peter Salmon: I'll try and do a few of them at least. I mean the point about women's sport or women's interest in sport is a, I mean it's something we've been discussing even this week because we've just embarked on a pretty extensive bit of audience research with the Women's Sports Foundation themselves in partnership because we need to understand what, is it about women playing sport? Is it about the sports that women like to watch or to listen? I mean the most interesting thing I think from this year in terms of demographic shifts has been that more women watched the big summer of sport on television on the BBC than men. I mean for the first time in our knowledge, whether it was the range of Olympic sports they enjoyed and Kelly Holmes and Paula and all the rest of it, or whether it's just that women are entering the football audience too, I think which they are in large numbers, particularly from home even if they're not going through the turnstiles. There is something happening in terms of women's enjoyment and interest in sport which is changing and which we need to be across. You know we'd like to see more women coming into that kind of viewing environment obviously to boost our audiences and an approval of what the BBC does in sport. Also I think it kind of keys in with that thing that Kelvin touched on, which is about women, female inspirational figures. British sport is now kind of riddled with them, whether it's Kelly Holmes or Paula. It's been extraordinary to see, you know I think there is a correlation between women taking up sport and those wonderful iconic figures on their television screens. You know the number of, there are now more women running the London Marathon than men. There are now more women running the Great North Run than men. Why? It's got to be something to do with these inspirational figures they see on the TV screens and they think I could have a go at that. I can do it, you know this rather inspiring stuff. I'll get involved. On the mix of sports – and I think the BBC has a real part to play in all that in terms of meeting our audience needs and interest – in terms of diversity of sports, yes, it's a battle between what David mentioned here. I mean it's a proper battle we ought to have and a proper discussion we ought to have about the, what do the audiences want, what do they want the BBC to provide for them? We know that they want sport on the BBC. We know that they disapprove of the BBC in large numbers when the BBC has no football for instance because they feel the BBC doesn't care about something they care about in large numbers, but we've got to get the proportion of our air-time we devote to this you know in the right proportion, in the right balance. So it's interesting just talking a bit about whether the BBC means it in terms of its involvement in these other sports and in terms of our coverage of these other sports. In the next four weeks on the BBC, just talking about the non-Olympic period so-called, you'll see on your BBC television screens equestrianism, rowing, amateur boxing – a whole evening of amateur boxing on BBC1 and BBC2 – world gymnastics, rugby league, rugby union, horse racing, football of course, short course swimming. You know it's all over the BBC. It's also on, that's on our television screens. It's also on our radio service through Five Live and Radio 5 Live's Sports Extra and of course we have a pretty extensive online site now, which you know where we can't cover things on TV we also serve to suit particularly those younger audiences we were talking about who are now using online services as much as they are using television services. And just to talk on that point about, just very briefly about creating great events that in a sense kind of come from nowhere that are down to the imagination of programme makers and story tellers, you know as big as The Big Read this year or Fat Nation or any of these things, or Restoration on the BBC, has been our work with disability sport. You know we took, unlike any other broadcaster in the world, we took disability sport this year and did it live every single night it was on in Athens for 90 minutes. We didn't do that because it would generate you know huge audiences. We did it because we have a passion for it. We've been growing it. We've been making documentaries on BBC1 and BBC2 about these people. They are, you know,

passionate, colourful, interesting, engaging people who do sport well at the level they participate in. And the Para Olympics was a real kind of distinctive success story for the BBC, not in terms of the huge audiences it generates but alongside our football service from Portugal it's very important to the mix of things that the BBC attempts to cover. It's also very important just kind of finally to say that you know I do think you see sport across other genres in the BBC and other broadcasters. Now if sports become part of the national conversation in drama, entertainment, comedy, you know whether it's comedy series about sports agents, whether it's Superstars returning to our screens, whether it's Born to Win, you know which got 25,000 kids to take part in sports trials, whether it's Footballers' Wives or David's Anglers' Wives, you know there are a lot of other stories on the, a lot of people would say there's too much sport on our TV screens, it's in drama, it's in comedy, it's in entertainment. We certainly have a large commitment to it, other broadcasters do too, but I think the idea that we should leave it all to, you know, those with the biggest cheques or those with the most extensive digital services is also missing out the fact that nearly 50% of our audience are still not in digital homes. The BBC has a job also, to make contact with and keep in contact and drive change for those people who are still kind of digitally poor.

LORD BURNS: If we look forward, but if we look forward, Peter, 5, 6, 7 years, I mean do you have any sense at this stage that what you will see is the BBC's purpose in sport will begin to change and how are you going to react you know when the multi-channel world is with us for everyone?

Peter Salmon: I think there is no, the interesting thing about this year in the transition from analogue to digital, and it's happening, it's happening you know in front of our eyes, is that the passion for sport and the audiences for sport on the BBC are as large if not larger than ever. The fact that this year we should record our biggest ever football audience in this digital world where people are also watching, have the choice of three or four hundred other channels at the same time, the fact that the Olympic audiences should be enormous in this particular year, the fact that the Grand National got more than 10 million viewers, which is kind of as big as it historically has for the last 10 years, a whole raft of sports and sports events, particularly I think keen national moments in sport, many of which are captured in the list of events, the fact that large numbers are coming on, also tells you I think something about what people want from the BBC in a digital world. I think they want the national broadcaster still to provide them with a lot of the key national events, whether it's the commemoration activities around D-Day or whether it's you know as it were their Grand National or the FA Cup Final. I think it's particularly important these things are not only available to people who want to pay for them. The BBC still has a role I think in meeting that need. I think the digital world liberates us quite a bit, of course it does, to provide broadband services for sports that maybe we can't get on the old terrestrial. It's quite hard to get some sports on BBC2. BBC2 also does natural history, news, documentaries, history. You know we only play on mixed genre TV channels. We don't have dedicated sports TV channels on the BBC. I think the digital world is very liberating but I think alongside that I hope and I think there will still be a need for the national broadcaster to cover a lot of the key national events.

LORD BURNS: Do you, I mean looking forward, I mean one of the things that we posed this morning when we were discussing culture was the question of what the processes were in the BBC about making decisions about either how much of the money would be spent on an activity or of the balance between things. And you know supposing you had...well going forward, what would be the process by which you will then decide in terms of how you adapt to the multi-channel world and how you look at some of these issues about which sports

should be covered? Is this simply done within the BBC sports area or is this something that there is sort of higher level of attention given to? And you know I mean should we have a BBC digital sports channel to take care of...

David Davies: The archives.

Peter Salmon: You're asking the wrong person here. I mean the, the processes, of course years like this help BBC Sport in terms of making its case in finding funding from the BBC that wants to provide great news services in new digital platforms, etc. etc. So these years are terribly important they are successful and they work for the audience. We have to bring our sports strategy to the new creative board in the BBC alongside the strategies of other genres from religious programmes to news but ultimately the governors of the BBC decide what amount of money is allocated for sport or for news or for new media in the BBC. BBC Sport makes a proposition out. It backs it up with a kind of research and insight you'd expect us to but ultimately the governors would sign off on the level of sports rights investment and, if not airtime, a kind of rough commitment to sporting activities on the BBC through the TV channels in particular.

LORD BURNS: Do any of you have any responses to what Peter has said in terms of you know the issue about the coverage of sport?

Kelvin McKenzie: Nothing particularly - I mean I don't share the fact that, first of all I don't believe in listed events anyway...

LORD BURNS: No, but that's not, in a sense that's...

Kelvin McKenzie: No, no, sorry. That's one of the points he's making. And of course I think Euro 2004 via the, you know there's a closed shop on that via the EBU and not for one minute do I believe that it's a unifying, that the television set proves to be a unifying moment. The moment is the football. And it doesn't really matter whether the BBC does it or Hindu TV does it. And I think it's a misunderstanding of this argument that the BBC is the only outlet that can carry out and produce great sport and great sporting moments.

David Davies: That's shared by ITV and the BBC, Kelvin.

Kelvin McKenzie: Yes, but what I'm saying is it doesn't matter, it doesn't have to be free to air, you know, it can be anywhere.

LORD BURNS: Could I ask the audience on this big issue of the coverage of sport that we see on BBC, and you've heard the conversation, whether you have any observations on this or questions about it?

David Tisdale: David Tisdale, chairman, representing England Badminton today - representing a minority sport. By the way it was lovely to hear such a shortage of vested interest around the panel today. That awful phrase minority sport because of course if you put all the minority sports together they're not a minority anymore are they? And in terms of the government's agenda, which clearly the BBC wants to pick up, if you're really trying to deal with obesity, you're really got to give people a choice. And if you think that we're going to solve the obesity problem through football, you're clearly not going to do that. I think the challenge for the BBC from my standpoint and from the standpoint of sports like badminton, is it's that magic decision between meeting demand and stimulating demand. And I would say surely in these days where there is an awful lot of people queuing up to meet people's

demand, then clearly the emphasis for the BBC ought to be on stimulating demand and that's where I'm very strongly with the lady from Sport England. You know let's have some more good ideas out there, things that persuade people what a terrific sport badminton is or indeed skateboarding and all the others. It's that magic. That's what I hope to see in the future. More of the BBC getting out there and stimulating demand instead of simply providing what is already available in the pubs. Thank you, chairman.

LORD BURNS: Yes?

Alastair Bennett, Football Foundation: Another vested interest I'm afraid. Just picking up a point Kelvin made about participation. That's actually incorrect. Participation is up in every section of the grassroots game apart from adult males, which has plateaued a little bit. 23...I'll just finish this...23 million watched the game, 12 million people played football last year, 1.6 million of them under-16s. Well it's true I'm afraid. The other point I'd say is that I think to reflect that programming, the BBC should take account of the fact that is 12 million potential viewers and they've got interest too outside of the professional game. And the other thing about minority sports, which is I think quite interesting. We did some research with children in care and their access to sports. 23 responses on sporting role models, half of a percent for Jonnie Wilkinson and half a percent Michael Jordan. The other 21 were footballers, so I think you can't ignore that I'm afraid. And the other point, to pick up David's point, we're not going to cure obesity through football but we can certainly help.

LORD BURNS: Any other points at this stage? Could I, I mean do you have a feel, Peter, for I mean on this issue of minority sports or whatever we care to call them, how that is, how the balance has changed over time? I mean you know if we start at the top. I mean is the amount of sport we see on television, you know it may be 10% now but is that rising or falling or whatever? And within the 10% is more over time being spent on a variety of sports or is it becoming more concentrated?

Peter Salmon: I think, talking about the BBC?

LORD BURNS: Yes.

Peter Salmon: It's probably becoming more concentrated in the commercial sector around probably motor racing, football, a kind of top tier kind of commercial sports and events, particularly in television. The BBC, I think the airtime is broadly the same as it's been historically. I mean there are shifts inevitably. I mean it's interesting looking back on the audiences that we used to get for equestrianism 20 years ago or how popular ice-skating was. You know the biggest ever television audience for sport was Torville and Dean. Now ice-skating has virtually kind of disappeared from our TV screens. That's sad but it's the truth.

LORD BURNS: Has it died because we don't have winners anymore?

Peter Salmon: There's got to be a correlation. I mean, you know, God forbid Tim Henman stops playing tennis, you know. Who's the next generation? John Crowther's in I think, so John get us some more heroes please. There is a correlation clearly between the popularity of some sports, the heroes, success, the gold medal winners, the Olympics, the David Beckhams, all the rest of it. And clearly we have a job too...

LORD BURNS: There was a week when we were watching curling wasn't there?

Peter Salmon: But interesting, just to talk about curling, curling's a really interesting one because we, of course we, we got into kind of curling gong fi (?), you know. We did the curling as scheduling. We put curling out at midnight. 7 million people watched it... I think he's in the room somewhere, the TV executive, I shan't name him, who said "Why don't we do a whole afternoon on curling, the World Curling Championships?" and we did a whole afternoon on Sunday Grandstand and we got, I think we got our second lowest ever audience. So we went from utter elation, curling, this is it, it's the new football, to my God that wasn't, perhaps that wasn't quite the right approach. And so you have got to be careful and that's an issue. I mean David touched there for badminton. You know we'd love to, sports like badminton and swimming, you know they're so important for fitness and for health and there are a lot of past advocates for these sports. It's not the same as there being often the great events for viewers that we can televise on either a regular or even an annual basis that will bring a large number of licence fee payers to the radio sets or TV screens. We wish there were. I think we have to work harder with some of our rights holders in the BOA and various other bodies to work out which these events might be and get behind them and market them and bake them into a strategy so that over the three or four years to the next Olympics we can find a kind of hero, the Tim Henmans in those sports and the Torville and Deans in those sports which might actually drive mass participation but it's not easy. If it were easy, we'd have found a lot more answers to it. Another good example, rowing. Since Steve Redgrave's 5th gold we've put a lot of our sport behind world rowing. Matt Pinsent is coming through keeping that there in the public eye. We're glad to continue to support that but it's quite a long journey. It's quite expensive to do. We find ourselves hosting a lot of these events ourselves, in a sense kind of supporting them above and beyond the ordinary sports investment because we care and we have a strategy to see them through to the next level. But you know the kind of correlation between Olympic success and weekly success, every day success, is not straightforward.

David Davies: I'm struck listening to this conversation by David Tisdale's contribution that...I'm reminded of a conversation that I took part in about a month ago when soccer, with some Americans and some Australians, where of course soccer is a minority sport. And they were bemoaning the fact that nobody was promoting soccer in their countries and that you know people keep talking about, I mean how many revivals, how many new dawns for soccer have we had in America? I mean to go back to the 80s, 70s, Pele and all the rest of it, and still soccer is played in vast numbers, not least by girls in America, but the American soccer, the Women's Soccer League collapsed literally in the build-up. Some of us were very, very keen to get a professional women's soccer league in this country and just as we seemed to be making some progress, the American Soccer League, which had been used as proof that you could actually make it work, collapsed and made all of us much more wary. It's, I mean I do sympathise but without the BBC or something like the BBC, one is forced to ask, if you know Kelvin had his way, I would have to say to him which of these 41 sports would actually get any prominent coverage in the world that you might create?

Kelvin McKenzie: Not many of them. Unfortunately it's a very cruel world out there and it's normally called supply and demand and occasionally you get caught out by supply and demand like the BBC. But then when they try and then take the macro view of it, they find out actually people are fickle. And I must say I did find this one bizarre, I've got to give Peter credit for some of this stuff, but he said that the reason they carry badminton and swimming is because the BBC views it as important for health. Now when I pay my, I'm forced to pay my licence fee. I do not believe it is part of Peter's...obviously there's a new strategy at the BBC with the new DG, that now the executives there are now thinking about worrying about

my waistline. I worry about it myself. I don't need people I've never met to worry about it. So I don't wish to in any way imply that your argument may be slightly disingenuous but I think that with the explosion of television, everybody can be served. I notice bizarrely that BSkyB now does quite a lot because of thanks to television technology on squash, something which I would have bet 10, 15 years ago would never have got on television because it looks so bloody awful on television. Now they're doing quite a lot of it. Often the technology of television is the reason why sports can become better. But at the end of the day, unfortunately and terrible that it is, unless we produce champions, massive champions in very many ways it won't. And quite rightly, if you're a television executive, what you want is champions and it's hard to know why or where they come from. But to try and say that something broadly based like the BBC should also have a broadly based sports remit I think is quite wrong. Digital television is there to cater for minorities.

LORD BURNS: It is, I mean we'll come onto the BBC's wider impact in a moment but it is a striking feature is it not of this discussion as we have worked through it that those things that people want to watch are hugely affected by whether or not we have great champions and we have people who are winning and who are performing on a world stage and are doing well. And if that is happening, in a sense almost any sport will attract a large audience, but once it becomes humdrum, you know week in, week out club competition, the audience basically disappears.

David Owen: I think Peter's right, I'm not sure it's quite as simple as that. I mean you started to make a point about equestrianism and then didn't complete it. Was that that the audiences were much bigger 20 years ago?

Peter Salmon: Well they were enormous 20 years ago when the world was full of equestrian...

David Owen: Okay and so now it seems to be on an ice-dancing slope and yet we won the gold medal at the Olympics. I mean did that...

Peter Salmon: No, I think that's absolutely right. I think that, well you still couldn't name probably any of the... No, not many people could name the team, certainly. No, that shows I, it absolutely shows that we ought to still be there with equestrianism. It's clearly never going to be Horse of the Year Show at 9.30 on BBC1. We've got to accept those are different, I mean once upon a time...

LORD BURNS: Why did that hit it big once upon a time? Was it simply because in those days there was no football on television?

Peter Salmon: Well, absolutely right. I mean football was in, I think there was one game a week for about 10 or 15 years and now, as you say Terry, you can spend all day on a Sunday flicking between various leagues all over Europe. I think that's absolutely right. I think one of the interesting jobs we have, absolutely I do think it's a, it's partly a responsibility because I think the BBC has some responsibility for diversity in lots of areas of life, particularly sport, partly also in terms of self-interest. When the next Olympics or Commonwealth Games come up, and these things come round quite quickly, it's a two-yearly cycle not a four-yearly cycle for us really, you know we like people to have heard of a number of these people in the minor sports areas as it were so that you know they come to the stories we're telling and the live coverage we've paid for in larger numbers. That ultimately then generates the kind of revenue and the kind of support through BBC governance that allows me to get the kind of rights fees I need to to stay in the game. So it is a kind of circular argument. I have some hope that areas like equestrianism and swimming and badminton, where you know certain stars are

emerging again, that there is some hope and we ought to develop a strategy to encourage coverage of those sports. But it's, you know, it's interesting, that's down also to the relationship between ourselves and often the rights holders to put on great events, to market events and fill the halls. What you can't have is the BBC telling the cameras I think – David mentioned some of this – and you know we switch the cameras one, the halls look empty, there's no audience. It looks miserable. The audience at home we know will say "If people don't want to turn up and buy a ticket, we don't want to watch." So we've got to get the balance right between putting things on at the right time and the right number of sports and all the rest of it.

Simon Clegg: Can I just ask you on your point about sort of how many champions and that drives television? I don't think that's the case because I think if you look particularly in terms of my own responsibility across the 35 Olympic sports, we regularly have people who are world champions who are the very best in the world and they are unable to drive television to cover their sport. These are the people who are going to the Olympic Games as the potential gold medallists and actually people don't know who their names are because they haven't got very much coverage in the build up to it. I mean here we are...

LORD BURNS: But if you're not a champion, you have no chance. I mean you were saying that even if you are a champion, you might struggle to actually get on but if you're not a champion, the sport is nowhere?

Simon Clegg: Absolutely. I mean here we are 15 months away from the Olympic Winter Games. We've got two people in two different disciplines who are leading the world now and seen as the hot favourites to win gold medals in Turin and no one in this room could name them.

Kelvin McKenzie: Who are they?

Simon Clegg: Okay, here we go. Kirsten Bromley in bob skeleton and there's a very exciting new sport which has received no television coverage in the UK yet called 'board across'. It's snowboarding. 5 people going off at the same time, fists, elbows, knees, anything can be used and the first one down to the bottom proceeds to the next round, so very exciting...

LORD BURNS: Very good.

Simon Clegg:but I would ask Peter to address the point that David raised actually in terms of whether the BBC has a responsibility for stimulating demand or simply satisfying it.

Peter Salmon: I think we have a, I think there are issues in both areas. I mean whether they are responsibilities. I think it's in our self-interest to....there may be a time where we can't afford football, there may be a time when some sports simply price themselves out of the market or exist in another market. It happened to us in an explosion of digital 5, 10 years ago. It's in our self-interest in some ways to generate interest in a range of sports because it keeps us in the sport business as it were. I certainly don't think we should, we've got to be proactive about our sports events because, take your Winter Olympics example, you're absolutely right, the Winter Olympics is not on people's radars yet. But by the time we get to that event, I can guarantee you that those two events you talk about and others will have received regular coverage on the BBC because we own the rights, it's in our interest to do it, we want those events to be successful and so do we have a responsibility? Yes, but it's also in our self-interest to do it.

Simon Clegg: I mean to stay on that point just for a moment. You know the Winter Olympics obviously because of the winter season; the Winter Olympics are taking place in

January and February 2006. The beginning of the winter season next year is going to be December. It's going to be right upon us now. The only other opportunity that you've actually got is over the next 4 or 5 months, which is the final full winter season that is preceding the Olympic Games and I suspect the coverage that those disciplines and those future Olympic athletes of next season are going to get- is going to be very, very limited if not none existent.

Peter Salmon: We don't own all the rights, Simon. I mean the rights are, some are on Sky, some are on Channel 4, some are on the BBC. If you don't own the rights, you can't cover it. But actually there is coverage of some of those events in the winter on the BBC but insomuch as we own the rights for them.

Kate Wallace: But there are opportunities aren't there to track our future heroes? So for instance the Commonwealth Games Under-18s are in Bendigo next week, 1st to 3rd December, and as far as I can see there is almost no take-up from the BBC. Now those guys are not only going to be future heroes for this man on my left, but I think they'll be future heroes for the 2006 Melbourne Commonwealth Games and there must be a strategy in order to - we know badminton can have the right kind of appeal.

Peter Salmon: There is but we can't, we're not, we can't be in every place in the world with a camera simultaneously. We've got to make some hard choices. That's the way it is. I mean I'd run through the range of sports that are coming up on the BBC in the next few weeks. It's very extensive, more extensive I think than most of you probably give us credit for because you're absolutely right and Terry's right that by and large the nation is obsessed with football but that's not the, the BBC's not obsessed with football.

David Owen: Can I just ask Simon and Peter, we seem to have agreement that having a champion doesn't automatically drive the TV audience. I just wonder what analysis you've done into what it is that does drive a TV audience? You know why was it that these badminton people who actually never even won, although you know the performance was fantastic, why did they capture the nation's imagination and Leslie Law, who did win, albeit in strange circumstances, probably didn't? Sailing's another thing. I mean we're the best in the world at sailing but, you know, what's your experience been of covering sailing outside the Olympics?

Peter Salmon: It's not easy. It's technically difficult. We covered the last America's Cup. We did it every night, late night on BBC2, which I....

David Owen: Was that because we hoped the British boat would do rather better?

Peter Salmon: Well we covered it until the British boat sank, I think - not literally but our hopes had sank and that was great. We attempted to cover Bill Donald, Bill Ainslie and Shirley Robertson and what others would have done in Sydney and of course we've got plans again to see them sailing through again at events of a certain status going forward. I mean champions are very important, and it's not just champions, it's also events of real status. I mean the Olympics is in itself a phenomenon. You know the World Cup, even if England aren't there - god forbid - is a phenomenal global event. You know the marketing, our access to superstars from around the world, not just the UK, some sports do transcend simple, local, national interest. Wimbledon for many years, its success was carried on the back of some great American, French, Australian players. It doesn't follow you have to have a UK champion but by God it helps.

David Davies: Terry, can I just ask this question? There is actually an example of stimulating demand in what was a minority sport very much. Going back to a great BBC producer of the 70s and 80s, Nick Hunter in Manchester, and snooker, which I mean some of us spent much of our mis-spent youth playing snooker and were revived by that and the audiences became really very good but have they dipped now? And my question really is could there be another snooker in this generation?

Peter Salmon: Well, anybody got one please? Kelvin and I will be fighting over it. No, it's a very good question. At least 12 times a year we ask ourselves what's the next snooker, as it were, and I think people have been looking for the sporting Holy Grail for a number of years. I mean snooker was virtually kind of invented, if not reinvented anyway, by television and is still enormously popular. You know given the advent of mass broadcasting, the idea that the BBC could simply take one thing up as it were and transform, kind of create from scratch, is probably less likely than it was given that this thing began at an age when there was one or two channels, everybody huddled round the TV set for warmth. I mean it was easier in those days to get the whole nation sitting round one event at one moment than it is now. That's not, you know it's not likely sadly, it's certainly not predictable, but it doesn't stop producers, whether they're BBC producers, ITV producers, independent producers thinking, you know are asking themselves could this be the next snooker? If only.

LORD BURNS: Could I, I mean winding up this part and moving onto the wider impact though I think I need to, although having a quiet conversation I'm slightly loathe to raise it but the issue about bidding for sports rights and whether or not this is a waste of taxpayers' money. And I think we should just explore slightly the issue about how much you are, in a sense what the attitude is towards this is and the balance between you know going for some of these big events or going for a more widespread coverage of sports? As I say, I hesitate to get into this area because I know that it dose raise the temperature but it obviously is something that you have to give a great deal of thought about and you know, and again the process and the thinking behind how it is that the BBC approaches this I think is something which we should cover.

Peter Salmon: Do you want me to lead on it or...?

LORD BURNS: Yes.

Peter Salmon: A couple of things just to kind of set the debate. It's covered a little bit in the paper. I mean it's interesting the most expensive event that the BBC covers and buys rights for – and again we don't really in too much kind of market sensitivity – is the most diverse sporting event in the world – it's the Olympic Games. It's very costly, very expensive to cover, very expensive to buy the rights.

Simon Clegg: I should just explain that they're not bought from us, regrettably.

Peter Salmon: They're not brought directly from you, though I imagine you get your cut somewhere in the mix, don't you? So we, just in terms of where we spend our money, we, you know there is absolutely a sense that the emphasis is, it's not just on the top 3 or 4 sports. We want to spread the money around events that deliver both a depth and a breadth of audience. Inevitably the most detailed conversations around sports rights are in the most competitive areas. There are some sports and some sports events that as it were rely on the BBC for support, for which there is little or no competition. There are some sports like or some events like the London Marathon or the Great North Run that we've nurtured since their inception. In terms of areas like football, rugby, tennis, the more expensive sports in terms of buying sports rights, we have a pretty extensive process in the BBC for bidding for rights. We have two corporate finance committees that check the rationale and the level of spending that we propose. The governors themselves sign off on sports above a certain financial limit. We have to provide quite detailed rationale into why we're bidding at a certain level for certain sports, what our expected audiences might be, what the pay-back might be in a sense for licence fee payers. And it's a very tricky and difficult area because again, you know, this is not an area in which the BBC does it on its own terms. It's fiercely competitive. At the

same time we also know that some of the most sought after events in the world can also be the most expensive but also the most important to licence fee payers. They'll want us to be there. If we're not, we don't bring Premier League football to our audiences on television or radio, licence fee payer approval dips. So they're telling us something aren't they?

LORD BURNS: Okay.

David Owen: Do you feel that those internal requirements hinder you in negotiations? Does it make you less quick-footed than you might otherwise be?

Peter Salmon: I think it's difficult to be as nimble as we'd like in the BBC. We're not famed for our agility. You know it's quite labyrinthine, you know we are a very accountable organisation. We have a lot of reviews and committees that ask us to justify how we behave and what we spend but I think it comes with the territory. We are, you know we need either in forum like these or in front of the governors to justify why we spend a tenth of the licence fee on...and quite a lot of it simply as it were handed out to sports rights holders for sports rights. It's the subject of quite detailed and quite passionate conversations between the BBC's Board of Governors. You know what's the right level? What are the right sports? You know isn't it better spent on drama? Couldn't we provide a whole lot of news for that money? It's a hot and topical debate.

LORD BURNS: Okay. Kelvin, do you want to say anything on this?

Kelvin McKenzie: Well moving away from generalities and looking at particulars, Peter, were you in charge of the negotiations for the radio rights for the Premier League?

Peter Salmon: Yes.

Kelvin McKenzie: When you bought those rights, among the new right you bought in it was the 5.15 game which goes out on Saturday night, yes? How many times have you actually played out that game, which cost you between eighty and a hundred thousand pounds a game? You've got one of your negotiators here so perhaps he'll be able to tell me. How many times have you played it out since the beginning of the year, since the beginning of the season?

Peter Salmon: I would have thought several times.

Kelvin McKenzie: So you had a right which has been played 12 times we'll say.

Peter Salmon: However many weeks have there been in the season.

Kelvin McKenzie: Yes, however many weeks have there been, right. And you think, how many times do you think you've actually played the 90 minutes?

Peter Salmon: The full 90 minutes? I couldn't answer in that level of detail.

Kelvin McKenzie: All right. Well let's...

LORD BURNS: You know the answer to this Kelvin..

Peter Salmon: You're teasing

Kelvin McKenzie: But I'm an outsider. You're the bloody Director of Sport.

Peter Salmon: Let these guys answer. This guy works..

Kelvin McKenzie: How many times have you done it?

Peter Salmon: I can provide the information..

Kelvin McKenzie: Right, well look, let me be helpful. Let me be helpful. You've paid – perhaps I should address this to the people who are actually reviewing the Charter and whether they think that the licence fee payment is correctly spent in this manner. They've paid somewhere between say seventy and a hundred thousand pounds for 90 minutes of Radio 5 broadcast time, which by the way is in radio terms a phenomenal amount of money,

phenomenal. 90 minutes of radio broadcast, not sponsored by advertising, even if it were 80 or 100,000 for that is phenomenal. So what they have is the 5.15 game but they have a problem because everybody else is played in the afternoon and therefore they want to go to the reports. So what they do is, if it's a dull game, like they do with dull games, say Bolton and Palace, they just don't cover it at all, okay? So that's £100,000 down the swanee. Or if last week, last week what they decided to do, what they decided to do was not go there until a minute before the end of the first half. So we only wasted 40 grand that way, rather than wasting the full £80,000. So my issue is, my issue is why should any...by the way I'd love to know the finance committee that gives the go-ahead to all this, fantastic...my issue is this, why is my money, my money, not somebody out there but everybody in this room, why is our money being spent in this way? Peter doesn't know the answer. He's just dragging the side of the chair. He's got no idea what's going on in his company. The gentleman over there I know is his number 2 in this area, negotiates all these things, actually writes the cheque on behalf of the members of the public, they don't know why these things are happening. Why is my money being spent in this manner, right? If I'm a private, if I'm in commercial life and I waste my money like that, that's a problem for me, company shareholders...

Peter Salmon: Kelvin, you have bought rights you haven't exploited and my...

Kelvin McKenzie: I know it's a problem for me but it's not public money.

Peter Salmon: from time to time it happens

Kelvin McKenzie: It's not public money, Peter, and I'm talking about shareholders money and they can shove me out and throw me out. I'm talking about my money and people in this audience's money and 48 million people in the TSA in this country. They funded it.

LORD BURNS: Talking about packages, isn't that what happens and therefore sometimes..

Peter Salmon: We can't pick and choose. We buy the package.

Kelvin McKenzie: No, you're supposed to play the thing out for the money.

Peter Salmon: We do in the main. I mean there will be the odd week I'm sure. I can't answer every element of every schedule that we...

Kelvin McKenzie: But I'm telling you. I'm telling you. I'm telling you. Take my word for it, I'm a doctor. I just thought I'd be helpful. I was helpful to explain to a couple of BBC executives what happens to their output once they've signed a cheque. I can't do more than that.

SESSION 2: THE BBC'S WIDER IMPACT

LORD BURNS: Okay. Well we will receive that in the spirit with which it's intended. Could we move onto the issue of the wider impact and this whole question of whether increasing participation should be part of the BBC's role, you know, and should the BBC have a public health role in relation to sport and physical activity? One of the issues that we're dealing with throughout this review is asking the question of, you know, as well as what the remit is for the BBC, how it is we measure it afterwards and whether some of these things are things that either can reasonably be measured or whether they should reasonably be the objectives of this. So is sport something that, broadcast sport something that is there for people to watch or should it play some wider part in our agenda? And I would like to explore this further. Kate, can I...?

Kate Wallace: I mean vested interest - I'll just put on the table. Yes, we would say that the BBC should have a very big role..

LORD BURNS: Don't worry having an interest in things. I mean I have to say that most people who have spoken in these seminars at any stage have had an interest....

Kate Wallace: You know, Sport England would want to encourage the BBC to consider partnerships and I know that sort of comes earlier in the debate but partnerships as part of delivering some of these objectives but I think the BBC does have a very, very, very strong role in public opinion forming and one of the biggest issues that we're faced with as a nation at the moment is rising obesity levels and lowering physical activity levels. And I would say that its public remit does definitely encompass that. I think the BBC has looked at this and I understand that there are more plans to look at it further. Personally I'm not sure that Fat Nation is the right way around it but that's fine and you know we're very happy to support activities like that. But there's no doubt – and by looking at one of your competitors and I looked at the research recently from ITV, Britain on the Move campaign and not only did that get some interesting viewer-ship but it also created an interesting campaign around local communities, regions, etc. in a way that was good for community business. And I can just hear you on my right saying well is that the role of the BBC? I would say it is definitely a role of a public broadcaster and the BBC's the role we have at the moment. So yes, we will encourage you to look at that more and we'd encourage you to look at that with people who are looking at it as well with partnerships because if we put some money in and you put some money in, we're going to get more.

LORD BURNS: Okay. Simon, do you have a...?

Simon Clegg: Well I think I made in my position on the educational responsibility clear earlier on. I have absolutely no doubt that there is an element of that happening at the moment. The coverage that is being provided is driving the next generation of young people into sports and one of the examples that I have was when I came back from Salt Lake City in 2002, after 1 in 10 of the whole population had stayed up until after midnight to watch a curling match, and Peter talked about that earlier on, we actually took a telephone call from the Isle of Wight about establishing a curling rink in the Isle of Wight, such was the interest following that. So I mean there is interest that is stimulated there. I don't think that enough is done from an educational perspective at the moment, in terms of educating people as to what the rules of the game are, or indeed in terms of providing information for them in terms of where they can then follow up a particular programme from and driving those people into sports because you know the young people of today of course are the Olympic athletes of tomorrow. The Olympic champions that we have should be role models for society and we should be utilising those individuals much more than we are at the moment.

LORD BURNS: Okay. Janet?

Janet Finch: Yes, just to sort of disrupt the sort of general level of agreement if I might for a moment because it is our role to do that. It strikes me that saying that the BBC should be working with partners to encourage more people to be more actively involved in sport is one of a number of sort of worthy aims for the BBC that almost cannot be criticised. But just let me put it from a slightly different angle. The BBC jealously guards its independence. The citizens of this country want the BBC to be independent of government. And when we talk about news and current affairs, that's one of the prominent themes. Now when we come to talking about education, a week or so ago we had a seminar on education, it's very clear that government would very much like the BBC to be a very active part in delivering its education

agenda, the same is true of health I'm sure and certainly in relation to sport and health, it's very clearly true. The government and a number of other organisations not part of government would like the BBC to be very actively involved in delivering its agenda. But how far does this go, you know? How far does the BBC follow what the government happens to want? You know at the moment the government is quite interested in competitive sports but that's not always been the case. It may not be the case in the future, you know. Just how far does the BBC fall in behind current government and other demands for what a very powerful cultural tool should be used for in this area and how much should the BBC almost deliberately not be doing that because it is after all an organisation that should be independent in all its activities.

David Owen: Yes, I think that's a very good point and I think there's a practical aspect as well. I think in any of these sort of broader things that the BBC is supposedly supposed to be doing other than showing television programmes, I think you have to have a very light touch or it's going to have precisely the opposite effect from the one you intend. If you're too hectoring about this, very quickly people start talking about nanny states again and it will be a complete turn-off. And I also, more generally I get, I mean I hate to be too cynical because sport obviously can play a role in reducing obesity but I do, I sort of brace when I hear sports people talking about obesity these days because I think the sporting community has basically cottoned onto this as a way of loosening government purse strings and I think we need to be very clear what we're talking about, what sport can and can't achieve.

LORD BURNS: David?

David Davies: Well I have the responsibility for our international activity. I was recently in Israel last weekend. Ironically, given the timing of what had happened in Madrid the previous Wednesday, having at the invitation of the Israelis and the Palestinian Football Authorities to talk about our anti-racism campaign that some of us were involved in launching 10 years ago and bringing people together and what relevance, if any, it had to their own particular issues in their own football. And we took, we made a judgement back in 1994, in the old days of, certainly in football, the only time that football had much to do with Westminster and Whitehall was when some of our predecessors were summoned to Downing Street by a woman who had a very large handbag and they were told off for the latest awful event wherever it was around the world. And we made a positive decision that if we were going to continue to say we were the national sport, that the national sport had to have a relationship not just with government but with opposition politicians as well on a wider agenda. And the second part of that was that we accept, we believe and we accept that football can be a power for good in delivering messages not just in this country but further afield. So we have sought actively to work with government and quasi-government agencies in various activities. I know that the BBC World Service is not strictly part of this particular Charter Review because of its type of funding but, having said that, when we are abroad the support of the BBC World Service is absolutely fundamental to us and can make a difference. Football, for example, people talk I know about gesture politics and going in. Some of us went to Afghanistan and staged a football match 8 weeks after the Taliban disappear on a pitch that various awful things had happened in that stadium and we took some of our people, played a match, came out. But we did seek to follow that activity up with a joint task force of ourselves and the Germans and Iranians to develop football as a power for good in that 22 years of war country. And I believe that the BBC can, we shouldn't underestimate sport as a power for good, not least our own, and the crucial element of the support of an organisation like the BBC around the world.

LORD BURNS: Okay.

Kelvin McKenzie: Your previous...where did you work before you went to....

David Davies: You know full well where I worked.

Kelvin McKenzie: I just asked you as a matter of interest for the audience.

David Davies: LBC.

Kelvin McKenzie: Exactly.

David Davies: The BBC by the way, the BBC.

Kelvin McKenzie: There's nothing wrong with that, just as a matter of interest.

David Davies: No I declared an interest..

LORD BURNS: The, Peter, what...I mean I can see why sport may be itself and individual sports might be you know in a sense find it sensible to adopt the wider agenda and after all at any stage many of us, you know, can find ourselves in discussions with ministers about things that happen on the fringes of our sports but should the BBC, you know how far should the BBC be getting itself into this I think still remains quite a pertinent question that Janet answers because the, there is a road down which it can clearly go in terms of responding to government agendas which then does raise some of the issues of independence.

Peter Salmon: No, it's again one of those kind of thorny, it's always there as a kind of issue whenever we are thinking about partnerships and how a partnership might be conveyed, what the kind of balance of responsibilities is. I recognise a lot of the issues in the conversations we've just had. I think nevertheless there's a kind of circularity between participation, medal winning and success, viewing, listening, enthusiasm which is kind of good for the BBC, good for sport, good for the nation around what we do, which is you know if you get it, if you're inspired by the heroes, if you play a bit, if you understand the rules you're probably more likely to sit on your sofa – you know no reason why you shouldn't – or switch a radio on and enjoy the things that we broadcast or transmit. So there's a huge amount of quite proper self-interest in the BBC being involved in this area, notwithstanding the fact that we are, you know, the public service, the prominent, you know most prominent kind of public service broadcaster in the UK. And you know in our DNA is education, entertainment and information and, you know, this applies to every genre. The idea that we would exclude kind of informal messages of education because we thought it made us a lot more independent is a bit silly. So long as we can find, I think in David's words, the kind of, you know the BBC way of dealing with this, the kind of light touch approach to how we convey it, you know I think if you ever thought there was that kind of sell, kind of hammer blow or there was you know the propagandist coming through here or you thought it was you know the Department for Health and the kind of nanny state lecturing you on what you should or shouldn't do, I think we know that our audiences would recoil. And the idea that we might overlay that in some ways in terms, you know on top of the excitement of our...you know what our viewers and our listeners want to do is to be thrilled by the event, is to be inspired by the heroics, is to feel sadness at the loss that people feel you know when they don't get a medal or they'd score a goal. I think what's interesting about education, participation and grassroots stuff is it's about just adding value. If you don't want to do it, you don't have to go there. If we signpost where you go next, if you want to take it up, if we say would you like to understand the rules of curling, which are kind of still beyond me but so are the rules of many other sports, then go to our sport academy site. It's on the interactive service. If you want to know the rules, you can do that. That's your choice. We don't say to people, you know, if you want to fully....a lot of people who watch the curling have no idea what's going on. A lot

of people watch the rugby union. They've no idea why points are being scored. What they love is...

LORD BURNS: I think a lot of the people playing it sometimes don't.

Peter Salmon: Yes, you're probably right. But they just love the kind of aggression, excitement, you know who's going to win, who's going to fall over the line. But some people want to go a lot further and I think the interesting thing I think is we can take them on that journey in an imaginative and BBC-like way. What we mustn't become is propagandists or a kind of mouthpiece for government departments. I think what's interesting is by and large we tend to provide a lot of this stuff through our rights holder relationships. I mean the, you know the most successful stuff in this area is done with bodies like the LTA for instance, who you know are looking at getting more people into tennis, have got the commercial sponsor which helps them afford the activities. They've got the BBC that does Wimbledon and provides the shop window. You know we want to build on those sorts of very dynamic proactive partnerships and take that kind of notion forward. Why? Because in 10 years time we need the next Tim Henman to emerge. We absolutely need the sports stars of tomorrow. Where are we going to find them? Well hopefully on some of these rather fantastic schemes. And if in the meantime kids get off on it and it's fun and it makes them fitter and it makes them healthier, that's fantastic. But we do a lot of this also through sheer self-interest. It really works for the BBC as well.

LORD BURNS: One of the issues we discussed this morning when we were doing culture was about magazine type programmes about how, you know, once upon a time there were quite a lot of them and then they have seemed to have faded from view. I mean when, and I feel the same about sport in some respect, although football is pretty adequately covered. But when I look around you know at the stand in WH Smith or whatever you will see sports magazines of all kinds and you know Golf Monthly will tell you something about what's been going on in the sport the last month. There will be a few coaching bits in it. There will be something about the latest equipment, about who are the rising stars. And it always struck me in that I remember in my youth we used to have sports – what was that programme that was on a Wednesday night?

Kelvin McKenzie: Sports Night with Coleman.

LORD BURNS: It was that type of thing. Now I notice that these types of programmes have disappeared and it always struck me as being the type of thing which for some of the minority sports you could see how, in which you may not wish to put large chunks of live action on it but they would have a role in terms of encouraging people and telling them about the rules, telling them about how to get into the sport and generally engaging them. And I mean I presume that the reason we don't have such programmes anymore is because nobody watches them but, or is it that it's just been one of those fashion things. Because I can see the problem about a lot of the minority sports we're talking about and the difficulty of finding the time to schedule particularly live sport of that type but you know there seems in other walks of life and particularly the magazine industry, the print magazines, you know people buy them in huge quantities just to find out what the latest gossip is, keep up to date with it, a bit of, I mean certainly if you play golf the sort of monstrous process of people trying to teach you how to improve your putting or whatever. And I mean do you have any, do any of you have any explanations as to why this type of broadcasting seems to have disappeared?

Simon Clegg: We did actually have our own magazine programme, which we ran in conjunction with BBC Grandstand. It was called the Insider's Guide to the Olympics. It ran from 1996 through to 2000, in the main funded by ourselves and then with a reduction in funding. And at the end of the day we weren't able to sustain it based on the funding position. The BBC ran it, took over the responsibility of it but at the end of the day it disappeared, which is a great shame because it was one opportunity, albeit fairly limited, for the minority sports to get a little bit of coverage in a magazine programme. We'd be delighted to see something like that come back on board. It doesn't just have to be for the Olympics, you know. It's equally applicable for netball or any other of the so-called minority sports.

Peter Salmon: I mean just a couple of quick things from me. I think there is a lot of nostalgia for... I mean sports' broadcasting has changed enormously. The amount of sport that's available to viewers has changed enormously. Once upon a time the only way you got it was, you know, it being bundled together by the BBC or ITV on a Wednesday night or a Saturday night and there was nowhere else to go. I mean these days, as Kelvin says, as David says, you know there are a lot of digital platforms. Most people want it live and they want it in the moment. You know they don't want to wait for it to be reheated. Highlights, they already know there's one. You know they've been online, they've seen it on the news. The idea they might wait three or four days to find out, you know....

Kelvin McKenzie: Well why did you guys buy the Match of the Day rights?

Peter Salmon: Well they're exercised on the same day. I mean some sports, the idea that 3 or 4 days later we might put the highlights on a Wednesday, I just think it's important. It is true by the way that highlights rights are absolutely declining in value in every sport. That's why the contract cost us, that's why the contract cost us half as much, that's why the contract cost us half as much this time as last time round.

Kelvin McKenzie: How much did you pay, it was £160 million wasn't it?

Peter Salmon: Well let's hope that happens again the next time round, it halves again because then it will be affordable.

Kelvin McKenzie: Well let's hope you do better than halving it again I would have said with the....

Peter Salmon: One thing I think where people have gone, just very briefly, is something a lot of people for more in-depth understanding, I mean our magazine equivalents have been, in recent times have been you know the birth and development of Five Live, that's to all intents and purposes the BBC's magazine for sport on a regular basis. The second thing I think is the expansion of online. I mean the numbers of people who sit at their desks or do whatever they do and they go deeper into the golf sites or the football sites for the chat, the information, the features, the how-to. In a sense those are the kind of new areas we've got into to compensate for the kind of changes in the live television market.

Kelvin McKenzie: Do you think that's part of the, that should be part of the publicly funded body to supply those kinds of sites in that kind of depth? Why should that be a BBC issue? Why should my secretary go online to find out the 5-day weather forecast on the BBC? I mean you know are you not supplying whole loads of things, sports particularly, you advocate it but there are other issues. I mean why are these things being done? Why is my money being spent in this manner? I mean why don't you just sit there and make your telly and go home at the end of the day? Why do you have to have social and some kind of rather curious... I know you all want us to be thin. Last year you wanted to go to war in Iraq. Next year we'll be invading Germany... The BBC is turning itself into some rather bizarre publicly funded political party, and you say 'the BBC view is', and I agree with you – if you meet the guys at the BBC they do have a bloody view. And at the end of the day they're employees. At the end of the day they shouldn't have a bloody view. It's nothing to do with them about these kinds of things. Whether we're all the size of that bloody darts player or whether we

all look like that thin bird going out with Harrison Ford is nothing to do with the Sports Department of the BBC is it? So I agree, I agree with Janet's view about all this. You know I think the problem with the BBC it's got too bloody big; it's become political; it's investing money where actually commercial forces can not only do it cheaper, they can do it as well and it appropriates itself to a grandness completely out of line with the fact that at the end of the day it's more bloody television, right. I agree, in the 30s, you know in the 30s there was one, right. Today there are a million of them, right. Why are we paying 126 quid a year for them to do it? Why don't we just say, why don't we just say "I tell you what ladies and gentlemen, we've decided to leave it up to you whether you want to pay it or not" and then by the way 27,000 people within 9 months would be 27 because there would be nobody funding anybody's wages. That's the reality. We pay the BBC licence fee because we're forced to by threat of jail and if it was left to us, when the bill came through the letter-box without the suggestion of jail, how many people, how many people in this room pay a bill that they don't have to, right, just for telly? That's all it is and honestly, Peter, I admire your advocacy in this matter. All it is the BBC is more bloody telly, NBT, thank you. Thank you very much News at 10. It's available in DVD by the way later.

LORD BURNS: Could I ask the audience if they have any points they want to make on this issue about...about the wider purposes of the BBC in relation to sport?

Debbie Lye, UK Sport: It's a little bit frustrating to me that I think there's a dimension of this that's missing from the debate and it always is because the debate tends to polarise between the kind of major events, the bidding wars, etc. and then the nanny state, you know, should we be exhorting people to participate? And I think what's missing is the recognition that sport is a huge part of the cultural life of this nation, not just watching it, doing it. We've heard about that - millions of people at club level and volunteering in it, 6 million in the report that was issued last year. And I think that kind of, that reportage, that recognition, that celebration of that aspect of the sporting life of the country, which is not just about individual health, it's about social networks, it's about fun, it's about the kinds of communities that we live in, the way we see ourselves. I see a bit of that in the BBC; I hear a bit of it but it's a real challenge. I'd like to see and hear more.

LORD BURNS: More of it? Okay. Anybody else want to make a point?

Dominic Earles, BBC Sport: I just want to pick up on Kelvin's comment about the 5.15 match because I think it's important just to address his views and I do have an opinion on this and I think... Kelvin, you know that we buy the rights as they're tendered by the Premier League and they tender 222 games of Premier League football. What they don't say is what stops those games playing or which matches we have to broadcast in those 222 matches. So we aren't obliged to broadcast every single 5.15 match and of course we do our best to do so. You mentioned last weekend. Last weekend I believe Chelsea kicked off at 3.30 because of some problem with the ground, which meant that we actually finished our standard 3pm game late. As a consequence of that, we necessarily had to go to our 5.15 match late. And then finally, there's just a final comment I want to make on this is that you know you mentioned £70,000-£100,000 match again. I mean you keep peddling the same comment.

Kelvin McKenzie: Well why don't you (INAUDIBLE). It's the same argument as last time. They won't tell the truth.

Dominic Earles: Just hang on a minute. No, no, can I make this point? You said £70,000 to £100,000 match, that we get 222 matches a year, that's £22 million a year you are claiming we're paying.

Kelvin McKenzie: Well I don't know. I was told by Richard Scudamore that it was 13, that it was 39 million.

Dominic Earles: I'm sorry, Kelvin, you were not told by Richard Scudamore that.

Kelvin McKenzie: Well he told me in a phone call.

LORD BURNS: Well he's written... I'll tell you what he did instead actually.

Kelvin McKenzie: Why doesn't he sue me?

LORD BURNS: He wrote to me and said that he understood about this and that the figure, that he hadn't told you any figure and that....

Kelvin McKenzie: Well he told me a figure in a phone call.

LORD BURNS:there was no basis for it.

Kelvin McKenzie: Yes, well David Owen can write the story in the Financial Times.

LORD BURNS: But isn't it the case...

Kelvin McKenzie: Richard Scudamore telling porkies, right. Read all about it.

LORD BURNS: Isn't it, but when you're, but isn't it the case if we buy package goods, you often don't want the whole thing. I mean you buy a newspaper in the morning but you don't read every story in the paper.

Kelvin McKenzie: Terry, you're a public body and you're paying...I wish Dominic would actually break this....

LORD BURNS: No, no, but Kelvin, if somebody is selling, if people are selling, you know people say "I've got this thing to sell to you and you know you can either have it all or nothing"....

Kelvin McKenzie: So, you're saying it's the fault of the Premier League and not the BBC then for selling, it's the manner in which it's sold? Is that your point, Dominic?

Dominic Earles: ...the Premier League set the number of matches being covered. They say 222 matches.

Kelvin McKenzie: So it's all down to the Premier League is it? No, that's all right. By the way did he say in the letter what the number was?

LORD BURNS: No, he didn't.

Kelvin McKenzie: Oh right, well there we are.

LORD BURNS: He just said that you were wrong.

Kelvin McKenzie: How can I tell the truth unless somebody says what it is? Why doesn't somebody say what the number is? These guys are funded by me, right. I want....

LORD BURNS: Well, not alone by...

Kelvin McKenzie: It feels like it. Why won't they just say what it is? Why on earth you won't say Dominic? I'm sure there's a reason.

Dominic Earles: We're in a competitive environment here. You compete against us. Why would I?

Kelvin McKenzie: I offered 2 million quid. You paid £39 million. There was no competition.

LORD BURNS: Okay.

Kelvin McKenzie: The sooner we shut this joint down the better.

Mike Franklin, MD, Talk Sport Radio: I'm Mike Franklin, Managing Director of Talk Sport Radio.

Kelvin McKenzie: Good. Sling him out. Sling him out. You never worked for the BBC, Mike, did you?

Mike Franklin: I never worked for the BBC and I don't think I'll ever work in radio again. Just a couple of points, just to express my frustration with this argument. The BBC do have a tendency to off-load the problem onto the Premier League saying "Well actually we had no option but to purchase it in this way" I think given that they are the sole buyer of the rights, it has to be seen that they are in an extremely strong position and the reality is that they can ask for whatever package they require. They just need to be more hard-nosed in their negotiation and they simply aren't. They simply say "What did we pay last time? What is politically acceptable" rather than saying, which is the way we do it in the commercial world, "What can we get away with? What is the minimum price?" They have an extremely strong negotiating position. That's the first point. The second point is that we hear a lot about the quality of sport on the BBC and by and large I personally don't quibble with that. What I quibble with is the point about exclusivity. What has the quality of the output on BBC Sport got to do with exclusivity? Why are they concerned about what the commercial sector does? And that is the frustration. We have a situation here where they have exclusive rights to national Premier League radio and there's a whole number of games which are not even covered. It falls in two parts. The 222 games that they purchase, they don't use all those rights, but let's remember there's 380 games a year. So there's a whole number of games that simply aren't covered. And the point is this, that through restructuring this package, the BBC could save a huge amount of money which they can then redirect towards drama, for example, and secondly, it would allow an element of competition without affecting their output one bit. And therefore my question to Peter is why is exclusivity so important?

LORD BURNS: Okay.

Peter Salmon: Just very briefly, the packages are offered on an exclusive basis. I mean as you know, for instance take the FA rights, the last time round. They were offered on a non-exclusive basis. I think you took them up at Talk Sport and they dropped them half-way through the contract. So I think the FA for instance offered them on an exclusive basis this time round. We responded and bought those rights. Actually we thought at a good price for the FA and the BBC....

Kelvin McKenzie: How much was that?

Peter Salmon: It was less than last time. But the second is, the second is also I think is the idea that...

Kelvin McKenzie: It is my money.

Peter Salmon: ...the idea that we aren't hard-nosed. We've described the processes we have to go through within the BBC to justify our spend anyway. The second is, we often, we did with the Premier League radio rights, take out independent valuation from the market-place. We ask people in the market-place what they think the market will pay, what they think the competitive position might be, how would they arrive at a valuation level themselves? This is what we do on a very frequent basis. The other thing about exclusivity is we....

Kelvin McKenzie: Who did you hire to do that?

Peter Salmon: It's not often available.

Kelvin McKenzie: Who did you hire, Peter, to do that?

Peter Salmon: Just to finish off my point about exclusivity. It's not often available exclusivity anyway because, as you know, local BBC, local commercial, a number of local commercial, online, club sites themselves also have these rights. We're happy to share them. They're offered in network terms on an exclusive basis. That's the way the rights holders sell them. That's the process we go through. It's not dictated or determined by us. It's, you know, it's often as not more dictated and determined by the EEC than the BBC but that's the situation that we respond to.

LORD BURNS: Okay. I'd like to put two questions to each of the people on the Panel, closing questions really, which is one, what should the next Charter, given the discussion that we've had, you know, what should the next Charter say about the BBC's purpose in sport and what kind of measures would you be looking for at the end of the period to judge whether it has been successful or not? Because in the end that is the decision that the government has to take. You know and the main thing the government's got to decide if there is to be another BBC Charter is what it is that the Charter should say about sport? And I think it would be quite helpful just to get some feeling for what it is that you would like to...because at the moment it's quite general. You know it just says that the BBC should do sport. It should cover, you know, a wide variety of audiences and circumstances, etc. And my question really is whether you are content with the way it's specified at the moment or whether you would like to see any different specification of this? And I think once we've had a go round I propose that we go home. David, would you, I know this is not an easy thing to start off but...

David Owen: I'm not sure I have particularly strong views in content terms. What I do think would be helpful, which I don't think is going to happen is for the guideline to be set down how much of the income should be devoted to sport. Like I said before, I question the use of the BBC for the big ticket events, so I suppose I would rather see even more imagination going into grassroots, slightly...I mean one of the sort of clichés about the digital age, which I think is largely true, is the more channels you have the less variety there is. There has to be a role for the BBC in producing stuff in sport that you don't find everywhere else and I don't really think therefore that big ticket items should be a priority.

LORD BURNS: David?

David Davies: It's, yes, I've enjoyed the discussion. Funnily enough, some of the things that Kelvin says I'm actually looking, looking ahead. He might not find some of us so divorced from him as he might think. Having said all that, we're dealing with, we're dealing with now.

LORD BURNS: For the next ten years..

David Davies: Yes, we're dealing with now and we're dealing with the fact that the BBC has covered sport as it has and has the tradition it has and in my view the perception that it has, which is immensely helpful to it, to the BBC, immensely frustrating to those who are trying to get into it. And I understand that full well. I don't have difficulty with the BBC in the immediate future and if you say what is that, if you're talking about 10 years, I suspect that that's as far as most of us can see. I think that it should, because it is...there is an expectation that the BBC will continue to cover the big events, to me that has to be, that expectation should be met. I am very sceptical whether the listed events legislation will survive the long-term, in the long-term. I think that the level of competition that the BBC, once we are in a fully digital age, the argument of some of us who are concerned...I mentioned earlier I have to think about, we have to think about who are football fans, and they aren't just the people who go into the grounds. Once the digital take-up is what it is going to be, sooner rather than later, I think there will be a transformation and the argument that some of us have will be less valid. But at this moment in history I think that the range of activities that are covered, that are talked about going forward, need to be looked at. I am sceptical about the BBC's role in the development. I mean on the last page we are told the BBC must make more of its position, its right portfolio and its services in the field of grassroots sport and sport development, the development. Who's responsibility the sports development, is the...who's responsibility is sport development? I think that is going too far and that was with the first point that I made. The measure of success in the future, which you ask about, I suppose I believe that participation is crucial and, but the BBC has to justify itself in terms of its audiences. I'm quite clear about that. I don't see that, and in the future that will be a huge pressure on the BBC.

LORD BURNS: Okay. Simon?

Simon Clegg: Whether the BBC like it or not, there is a perception that when we talk about sport and BBC sport in the main we're talking about football. Now whether that's perception or reality I think is an issue that the BBC needs to be conscious of and needs to address. I mean in Peter's excellent report, I mean he talks on Page 10 "however the BBC recognises its role in both supporting minority sports and also providing content for niche audiences." I'm not sure that that's being satisfied to a level that I'm comfortable with at the moment, but you would expect me to say that wouldn't you? There is an issue in terms of wider coverage, both in terms of the number of sports that I would like to see covered and also in terms of the type of coverage. And I also believe that the BBC need to acknowledge that it does have a responsibility for an educational aspect to its sports coverage as well as just major events. And it goes back to David's point, who's now left us, an acknowledgement that they need to have a responsibility for stimulating demand as well as satisfying it.

LORD BURNS: Okay.

Kate Wallace: I would echo most of what Simon's said. I'd very much like to see the BBC broaden and deepen its sports coverage from playground to podium if you like and get a balance there because I don't think we have that at the moment. And yes, of course that includes international and national events but it also includes regional. There are an array of sports out there and I think we have an array of outlets and we just need to be much better at signposting them from one outlet to the other. And we need to grab the, you know grasp the nettle. If we can't make badminton sexy now, what can the BBC do because you've got two very, very media-friendly, amazingly internationally good badminton players who actually like being on telly as well, so that helps. You know why can't we begin stimulating that rather

than waiting to see if we're satisfied with demand? Measurement? Yes, it is by viewers obviously. That's what you're here to do, the BBC, but I think participation has to come into that.

LORD BURNS: Okay. Now, Kelvin, I want you to, the leap of imagination that there actually will be another BBC Charter and the organisation will survive and therefore the question is in that context, what is it that it should be told to do with regard to sport?

Kelvin McKenzie: Well first of all it's not the BBC's job to promote minority sports. That's the audience's job, right. And the second thing, and the most important thing from as far as I'm concerned, is that the Charter contains, the codicil in the Charter says that the BBC Radio – and if it applies to television as well, all well and good – should be barred from deliberately over-paying in the radio market to maintain its monopoly. And if you look down at these things, there's a hilarious thing. Immediately I knew it was disingenuous. But right at the end it says in relation to its radio rights "some of these may be exclusive" right. Well basically, about 95% of them are exclusive, so that would be what I would urge you and your panellists to accept.

LORD BURNS: Thanks very much. Peter?

Peter: I don't have a lot to say. I mean just to say I've enjoyed the process and take away a lot of thoughts back to the BBC and I'm sure some of these can be drafted into Building Public Value as we develop it. It's been very stimulating. Thank you for the discussion.

LORD BURNS: Janet?

Janet Finch: Yes, just an observation, which won't mean anything to anybody apart from Terry, since he and I were the only two people and one or two of the colleagues who support us who were here both morning and afternoon. But this morning's session was on culture, the cultural role of the BBC and this afternoon on sport, and to some extent I think they are mirror images of each other because the debate this morning on culture was in a sense all about is the BBC really justified in paying very substantial sums of money into what are minority cultural activities – supporting the Proms for example – when there are some quite major actually cultural interests which are not covered at all on the BBC? Country and western music was one that was mentioned. So this morning we were talking about, you know, taken for granted position, the BBC supports minority things but not quite a lot of majority things. This afternoon it's exactly the opposite way round and I don't know what I make of that except that it causes me to think some interesting thoughts about how the BBC sets its strategy.

LORD BURNS: Well I think the other thing that occurs to me of course is that, as we move into the digital age, sport is one of those things that I would expect to see more of being produced by people other than the BBC, whereas cultural activities may be things which would be less provided by people other than the BBC as the battle for revenue and ratings takes place. And so if one is looking, if the BBC is looking at its position in terms of the rest of the market-place and taking account of what else is on show, the position with regard to culture could be very different to that with regard to sport. You know in many ways I think sport is in the foreground of activities which have gone multi-channel and which people have demonstrated that they are willing to pay for. And I think in some ways that produces more of a problem for the BBC. On the other hand we know from the consultation

that DCMS has done that sport is enormously popular in terms of the licence fee payer. They, I mean there are a number of people who think there's too much but there are also a very good number of people who are very appreciative of it. And I think out of this there are echoes of some of the fundamental issues that I think have to be faced for the future. And of course the fact that they are so different is one of the reasons why in the end we decided that sport was not a part of culture and we wouldn't run them altogether in one seminar. Can I thank you all very much for participating, everyone who's come this afternoon, in the discussion. Thank you very much.