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Kennedy Humphries
Public Service Broadcasting Policy Branch
Department for Culture, Media and Sport
2 - 4 Cockspur Street
London
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16 July, 2002

Dear Mr Humphries,

I fully agree with the points made by the Digital Learning Alliance, in its objection to the BBC's Digital Curriculum service. These points are summarised in the attached report.

It would be quite wrong to allow the BBC to act as a monopoly to stunt the growth of the UK educational software industry. Its role should be "Public Service Broadcasting". Using government subsidy to create free educational software for schools, thereby killing off important small companies that form the bedrock of our economy is foolish, immoral, and outside the BBC's remit.

I urge the Secretary of State to reject the BBC Digital Curriculum proposal in its current form.

Yours sincerely

Philip Yorke

Digital Learning Alliance

MAIN CONCLUSIONS

1. The Digital Learning Alliance (DLA) urges the Secretary of State not to approve the BBC Digital Curriculum proposal in its current form.
2. The BBC Digital Curriculum service will curtail choice, diversity and innovation of digital learning resources and will have an impact on an existing developing market place that is not proportional to the value of the service.
3. The BBC's proposed Digital Curriculum service will significantly damage the prospects for success of the DfES' Curriculum Online initiative.
 - a. The DLA strongly support the Curriculum Online initiative and believe it provides a wonderful opportunity to improve the UK education service.
 - b. However, the current BBC proposal will stifle the creative marketplace on which Curriculum Online depends.
4. The BBC's proposal to provide a Digital Curriculum service duplicates products and services that are already available or under development.
 - a. There is an existing commercial market of approximately £85m a year.
 - b. The majority of the market comprises of resources developed in the UK for UK curricula.
5. The BBC's proposal will smother the commercial sector and place the BBC in a monopoly provider position.
 - a. The scale of BBC investment combined with free to air nature of their service will significantly impact on competition.
 - b. The SRU report commissioned by the DLA concludes that the BBC's entry will destroy the market unless a balancing demand-side initiative, which ensures continuity, is put in place.
 - c. These findings broadly reflect the comments about the impact of the BBC in the NM Rothschild report commissioned by DfES.
6. A BBC monopoly would significantly damage choice, diversity and innovation of digital learning resources in the UK, to the detriment of teachers and learners alike.
 - a. Unless a commercial market of comparable size to the BBC's activities exists, commercial providers will be unable to invest in developing competitive products.
 - b. The result will be the BBC being the sole provider of many categories of digital learning resources, which will inevitably lead to stagnation.
 - c. This will reduce, not increase, the range of resources available to teachers.
7. The electronic Learning Credit (eLC) scheme proposed by the DfES as a balancing demand-side initiative is inadequate.
 - a. The DfES has committed to a £50m dedicated funding initiative in the academic year 2002/03 to ensure the continuity of the commercial market.
 - b. This funding, however, is likely to displace school's own cash spending and, as it is less than the current market size of £85 million, is unlikely to result in market growth or provide incentive for new product development.

- c. The SRU report concludes that a five-year programme of £800 million is required to balance the BBC's investment of £150 million.
8. eLC's are only for English schools with no equivalent demand-side funding proposed for schools in Scotland, Ireland and Wales or for schools in the independent sector.
 9. The BBC's intention to commission 50% of new Digital Curriculum content from external sources does not protect market driven innovation, or preserve choice and diversity for schools.
 - a. The BBC has indicated that spend on content will be 60% of the total Digital Curriculum investment (ie, £90m). Over a five-year period, this means that external commissioning budget will be a maximum of £9m pa. This is not enough to sustain a vibrant and creative industry.
 - b. External commissioning by the BBC will still result in a single, monolithic provider for schools and will not enhance choice.
 10. The BBC's intention that Digital Curriculum should cover only 50% of the learning outcomes of each subject will not provide a space in which the commercial sector can operate.
 - a. Given the projected availability of Information Communications Technology (ICT) equipment in schools and the degree to which some subjects can be taught using ICT, it is unlikely that more than 50% of any subject will be taught using ICT.
 - b. Therefore, in addressing 50% of learning outcomes, the Digital Curriculum will effectively address all of typical teacher's ICT needs.
 11. The reduction in the commercial development of content for UK education by UK developers will significantly curtail export potential.
 12. The BBC has not shown that their investment would represent value for money for the Licence fee payer.
 - a. There is no evidence that the BBC provision would significantly raise standards above that gained by the effective use of ICT in general.
 - b. The BBC has also provided no detail on how much a large sum of public money would be spent or how it compares in value for money terms.

The Digital Learning Alliance is an alliance bringing together the British Educational Suppliers Association and the Publishers' Association, with a committee comprising of the companies:

- 4 Learning, Channel 4
- Espresso Education
- Granada Learning
- Nelson Thornes
- Pearson Education
- Reed Educational and Professional Publishing
- Crocodile Clips
- Educational Software Publishers Association
- HarperCollins
- Oxford University Press
- RM plc