

BBC Digital Curriculum New Service Application

Consultation response from HarperCollins Publishers July 2002

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BBC Digital Curriculum – New Service Application Consultation response from HarperCollins July 2002

This document has been prepared by the Education division of HarperCollins Publishers in response to the Secretary of State's call for views on the BBC's New Service Application to develop the proposed Digital Curriculum service.

As one of the leading educational publishers in the UK and a publisher of award-winning electronic learning resources for the last 10 years, we are deeply concerned about this proposal. In particular, we are concerned about the impact of the BBC's Digital Curriculum service on the market for digital learning resources, the textbook and learning resource market, and the choice, diversity and range of resources and pedagogic approaches available to teachers and learners.

As partners in the Digital Learning Alliance (DLA) we have written separately to express our concern over the BBC's application.

We believe that this proposal requires **fundamental amendment** if it is not significantly to diminish the long-term choice of learning resources available to our schools and to threaten to undermine the development of a potentially world-leading industry at a vital stage in its evolution.

The BBC and Curriculum Online

The BBC Digital Curriculum service as proposed cannot be considered in isolation from the Curriculum Online (COL) service currently being designed by DfES for launch in September 2002. We thoroughly endorse the Government's vision for a range of quality digital learning resources delivered over a range of channels. However, we believe it is essential for schools, teachers and learners to have access to a wide and diverse range of digital educational resources to ensure all resources are fit for purpose, for example, they match individual learning needs, contexts, and styles. Plurality, choice and diversity are crucial.

COL depends crucially on the commercial industry investing to develop a wide range of digital learning resources according to COL criteria, an investment that will deliver the rich diversity of learning resources which teachers want and expect.

Unless two factors are in place, however, the future of COL, the development of a potentially world-class industry, and indeed the whole electronic learning environment in our schools is threatened. These factors are:

- Adequate eLC funding is made available to schools to counterbalance the BBC entry to the market;
- The BBC is constrained to play a complementary role rather than adopting a directly competitive position to other players wanting to contribute to COL.

Given significant amendments to the BBC's submission in line with these principles and issues, we believe that the vision can still be achieved and that public and private sectors can work together for the educational benefit of learners in schools, in colleges, and at home - and all on a world-class scale.

A. Economic Issues

Market impact

1. **The BBC's proposals to provide a Digital Curriculum service duplicates products and services that are already available in the market, or are under development.** There is already an existing commercial market of approximately £85m a year providing high quality digital learning resources that are broadly comparable with the BBC's proposals. The majority of this market comprises resources developed in the UK for UK curricula.
2. **The commercial market for educational ICT is highly innovative, is developing rapidly and provides a high level of choice for teachers and learners.** The scale of the BBC's proposed investment, combined with the free-to-air nature of their service, will significantly impact competition. The DLA, of which we are a member, commissioned an independent market impact report from the consultancy SRU which concludes that the BBC's entry into the market will destroy the market unless a balancing demand-side initiative, which ensures the continuity of the market, is put in place.
3. **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.** Unless a commercial market of comparable size to the BBC's activities exists, commercial providers will be unable to invest in developing competitive products. This will result in the BBC becoming the sole provider of many categories of digital learning resource and will inevitably lead to stagnation. At this critical stage in the development of educational ICT, approval of the BBC's plans will reduce, not increase, the range of resources available to teachers.

Demand-side funding

1. Electronic Learning Credits

In a recent report on the publishing industry, the DTI¹ concluded that, '*electronic Learning Credits should be large enough to prevent BBC from dominating the market*'. The DFES has committed to a £50 million dedicated funding initiative in academic year 2002/03 designed to ensure the continuity of the commercial market.

We welcome this eLC funding. However, the commitment to date only covers 12 months from September 2002 and is set at £50m. This is inadequate to balance the BBC's proposal to invest £150m+ over 5 years. In addition, the £50m is likely to displace school's own funding and is unlikely to result in market growth or provide an incentive for further product development. The current market is estimated to be £85m p.a. According to the SRU report a five-year programme of £800m is required to counter the BBC's proposed investment.

2. The need for ring-fenced funding

As part of the Government's significant investment in ICT through the National Grid for Learning 15% of NGfL funding should have been spent on content. It has been acknowledged that nowhere near this figure has been spent on content. Therefore eLC funding must be ring-fenced. While we understand the move away from specific ear-marked funds, in the context of the market for Digital learning

¹ Publishing in the Knowledge Economy. DTI et al, 2002. Page 115.

resources ring-fenced funding is essential to counter-balance the BBC's investment and its complete distortion of the market.

3. Independent schools

Over 7% of pupils attend fee-paying schools. The per-pupil spending of these schools is higher than in state schools and the independent sector accounts for 12+% of the market. We expect most of this market to be displaced by the availability of free content in the absence of an eLC equivalent for this sector. It is difficult to see a solution that will ensure a continued market for commercial digital content for independent schools, but a solution must be found.

4. Scotland, Wales and Northern Ireland

A similar problem exists outside England. The BBC's reach (and remit) extends to these countries, but not the DfES ring-fenced funding proposal. Funding structures vary within 'the Nations', and it is unclear that they can offer an eLC equivalent which will answer the competition issues in relation to individual schools.

Any eLC approach which does not put spending power in the hands of the individual school will fail to address the competition issue that the school can freely access BBC material. This applies where the purchaser is frequently at the local authority level whilst the user is at school level.

5. BBC and eLCs

In the Frame of reference the BBC states it will not compete for eLCs and that Worldwide has no plans to compete for eLCs whilst eLCs are '*to be focused on the provision of course-based materials mapped to the curriculum. Should the use of eLCs be redefined then the BBC would review its position*'. Given that the definition for eLCs has already changed and widened it is essential that the BBC gives a firm commitment that it will not compete for eLCs via BBC Digital Curriculum or Worldwide.

Value for money

1. The BBC proposes to spend £150m+ and states that '*The Board of Governors has approved the budget and believes that the Digital Curriculum will offer excellent value for money*'. There is no indication of the criteria used to substantiate this opinion but it is vital to know on what basis £150m is judged to be 'excellent value'.
2. The Public consultation carried out in Autumn 2000 on the BBC's previous Digital Curriculum proposal has limited value in relation to the current proposal.
 - The proposal in 2000 was substantially different from the current proposal, for example, the post-16 resources which were warmly welcomed are no longer part of the Digital Curriculum; there are no longer plans to provide Digital Curriculum through a number of different channels and platforms.
 - The proposal and consultation provided no information on the market and existing provision of digital resources. Given that the BBC recognised '*it was describing a service that many readers would find hard to imagine*' it would be equally true that they would not know or understand the market context or range of products available either, yet the BBC provided no information on either if these.
 - It is also important to note that only 22% of respondents were not involved in education and that the proposal gave no suggestions of what alternative areas the

BBC might spend the suggested £135m, i.e. the proposal was looked at in isolation. What other forms of programming could be produced, or will not be produced, as a result of spending £135m, let alone the now proposed £150m+?

- It is nearly two years since this consultation and the current proposal is substantially different; it will be launched into a very different marketplace and context, from both product availability and teachers' experience, training and confidence in using Digital Learning resources; and will now exist alongside/within the DfES's Curriculum Online initiative.

Commissioning Third parties

1. The BBC proposes to spend 50% of its content funds with outside suppliers on a fee basis with ownership of IPR depending on the input negotiated with the supplier. This will amount up to circa £9m per year (50% of 60% of £150m to be spent on content over five years). However, it should be noted that the BBC commitment only refers to development of NEW content. **It must be realised that this is not only insufficient to stimulate the development of the commercial industry on a significant scale, but will not ameliorate industry anxieties on the other key issues.** These contracts will still produce free-to-air material in the ownership and control of the BBC. Significant commercial providers of digital learning resources are publishers wanting to invest at their own risk, not contractors working on a fee basis. Publishers need a secure open market to stimulate investment at their own risk, a market which has not been undermined by free material, and which has sufficient funds to purchase commercial alternatives.
2. The publishers' business model is based on developing Intellectual Property and in exploiting over a period of years the rights in this Intellectual Property to generate a return on investment and generate profit to fund further content development.

Development plans

1. The Frame of Reference #5.1 states that *'the BBC would publish each year...three year headline plans for all four countries sharing roll out by subject and by stage'*. These headline plans are too infrequent, too sketchy and provide no detail of the learning outcomes that will be covered. It is not clear when the BBC's commissioning plans will first be publicly available. At a recent open meeting held by the BBC to demonstrate their Digital Curriculum Proof of concept the BBC indicated that it would be some months before plans would be available and that the first nine months of development (assuming approval for the service is granted) would be developed in house.
2. The BBC do not specify which learning outcomes they propose to cover in any one subject, so it is impossible for a commercial provider to plan their own coverage secure in the knowledge that the BBC's free material will not undermine their investment.

B. Educational issues

Pedagogy

1. The BBC proposal to cover 50% of the learning outcomes of each subject in each key stage will provide a huge amount of content. Whether developed in house or commissioned to third parties it will all be built within one monolithic service.
2. The learning needs and contexts of individual students and the resource needs of teachers vary from school to school and subject to subject. To resource these needs a wide variety of approaches and selection of resources is required. This diversity and choice are already evident in the coursebook and book publishing market and within the commercial digital learning resource market.
3. Diversity, choice and innovation come from having a wide range of suppliers. A single commissioning such as the BBC producing resources for all subjects over Key Stages 1 to 4 and covering 50% of learning outcomes will be driven by a series of templates and a single pedagogy. This will not provide sufficient diversity for individual students. Teachers and students need to be free to select appropriate resources from a range of providers.
4. It is important to recognise the role that technology can play and the degree to which subjects can be taught via ICT, particularly while appropriate pedagogies are forming. In the BBC's Public consultation in 2000 there was an overall tendency towards a mixed economy of traditional and digital learning, with traditional methods constituting a greater percentage of the teaching time. This again confirms that the BBC offering needs to be a much more realistic and smaller coverage of learning outcomes to allow teachers and students.

Experience

1. The BBC's experience in providing classroom materials is limited to providing resources that, whilst useful, have not been central to the programmes of study delivered in schools or to the learning resources used in the classroom. There is no evidence that this experience will provide educational benefit when applied to mainstream curricular development.
2. Educational technology and the pedagogical issues surrounding its use are in a state of rapid and continuing development. A single, monolithic project exposes licence fee payers to the risk that the solution created is not optimal, with significant parts of the investment needing to be written off. A diverse, multi-vendor market would provide schools, teachers and learners with a diverse range of approaches and products.
3. There is no evidence that the BBC provision would significantly raise standards above that gained by the effective use of ICT in general.

Scale of curriculum coverage

1. The BBC proposes to restrict its coverage to a maximum of 50% of the learning outcomes for any subject and Key Stage (Frame of Reference, #3.3). A reality check on the ratio of ICT resources to pupils in schools and on the extent to which teachers will employ ICT resources to deliver the learning experience in the classroom will quickly reveal that 50% coverage will potentially deliver all that will be required in any one subject several times over. Currently, less than 10% of the

curriculum is delivered through ICT, even in leading schools, due to the distribution of hardware within schools among other factors.

2. We urge most strongly that this level of coverage in the core and non-core NC subjects is not permitted in order to leave scope for a range of other providers.

Effective use of ICT in schools

Clearly, the BBC has the potential to become a major player in the emerging market for digital learning resources, in schools, colleges and at home. However, we do not see their current proposition as distinctive within education in terms of the content or the methodology which they propose to deliver; indeed their proposal is lacking any useful detail in either of these respects (Frame of Reference, #3.2). The proposal can only be considered distinctive in terms of the scale of expenditure, which will be untested by market conditions, and the fact that it will be available free of charge. The other benefits they highlight (Annex 1, sections 2.1 to 3.3) are generic relating to the effective use of ICT in schools and could be applied with equal validity to the offering of the commercial industry. EPC

Interoperable standards

We welcome the BBC's commitment to providing access to BBC materials at a granular level for teachers. However, this access must enable the export of assets at a range of levels and to a range of applications. It is essential that the resources are constructed as learning objects in accordance with COL and international standards including SCORM 1.3, IMS. This will allow teachers and learners to select content at a granular level and as individual learning objects from the BBC's Digital Curriculum to incorporate into their own courses alongside their own content and commercial content. Flexibility to select these objects and take them out of the BBC's VLE and use within their own applications and/or other VLEs is vital.

C. Exploitation of Digital Curriculum assets

Third party use

1. Frame of reference model

The BBC proposes to use £150m of licence fee money to create a range of audiovisual, text and interactive assets. As public funded assets these should be available to anyone in the UK from both public and commercial sectors. The BBC proposal currently restricts this to 20% of any one product (without defining the scope of 'a product') plus a restriction of 20% of any one asset type. The assets will only be available for a fee to commercial providers. Access by third parties would also be restricted to 10% of the BBC's portfolio by asset type. Given the BBC's commitment to innovation, support for Curriculum Online and to quality learning resources it should welcome open access and full exploitation of all assets. As licence-funded assets these should be fully available without restrictions. It is in the interest of education that Third parties should be free to develop a whole range of innovative approaches and resources to support particular learning needs using DC assets.

2. Free access model

Perhaps a more appropriate model would be the NASA model which makes available free of charge electronic versions of, for example, its photographic assets (see Appendix A for NASA terms and conditions).

Supplemental resources

1. The BBC plans to provide a range of resources to go alongside the Digital Curriculum These include books, CD-Roms and other print materials. Under the current proposal to cover 50% of the learning outcomes digitally these supplemental resources could easily cover the remaining 50%, providing complete coverage and offering a total blended learning packages. This would undermine the established educational publishers and the curriculum resources and textbook market. This complete offering under the brand of the BBC Digital Curriculum would be very compelling to schools.
2. There is no reason for the BBC to enter this market. As with existing BBC educational programming simple notes and technical notes are the only elements which should be produced. Handbooks, textbooks, teacher support packs should either be left to the commercial market to develop and be subject to Open tender.

D. Moving forward

Constraints

The **vision of Curriculum Online can be realised only if an equitable balance can be achieved between the capabilities and the objectives of both the public and private sectors.** We believe that balance will be fundamentally disturbed by the BBC's current proposition, and we urge you to consider a number of key issues and how these relate to the principles needed to achieve this constructive balance.

Accountability

1. We realise that regulation of the BBC is an issue which lies beyond the scope of this consultation. For the commercial industry, however, the greatest potential threat in the BBC's DC proposition lies at the detailed level, in terms of coverage within each subject. The regulation procedures which exist or are proposed for the BBC are entirely inadequate in this respect, and we would urge you to require the BBC to introduce a procedure which would render it more accountable at this level.
2. We understand that the DfES proposes to establish a Content Advisory Board to advise the Secretary of State on the effective development of COL. We believe that the BBC should work positively with the CAB to ensure that its free provision complements the commercial provision, and that the regulation process should take account of their performance in this respect. The BBC should publish performance data against its key undertakings on a quarterly basis, and a procedure should be established to resolve disputes. An external regulatory and accountability framework needs to be established. The existing BBC guidelines are not adequate or appropriate for this new service within this market.

Funding the commercial market

As alluded to earlier, two further issues should be taken into account in considering the BBC's current proposition.

1. Commissioning of BBC material

The model proposed by the BBC is not viable to support let alone grow the Digital Learning resource industry. It is vital that the process recognises the need for suppliers to develop and be able to exploit IPR. New models for commissioning with a stronger emphasis on individual and joint IPR need to be developed. Industry should be involved in working with the BBC to develop these.

2. Demand-side funding

We believe a mixed economy solution is achievable. There is potentially a complementary role for the BBC within a balanced solution to market development. An essential component of such a solution however is secure demand side funding, and DfES is to launch such funding as eLCs for schools in England from September. As stated earlier thus s in placar for one year only for England. No parallel mechanism exists for Scotland, Wales or Northern Ireland, and there is no proposal to address the competition issue in the independent sector.

- Forward commitment to secure long term demand-side funding is essential. The industry is looking at long pay-back periods for innovative electronic products and needs a four to five year funding horizon in order to make the necessary investments. It is encouraging that the BBC lends its support to such funding,

but we would urge you to support the extension of the existing scheme for the long-term benefit of a vibrant open market. Until such time as such funding is in place, we are convinced that the commercial industry will be unable to invest significantly in innovative new products should the BBC proposition with its current scale of expenditure and coverage focused on the core national curriculum be allowed to proceed as planned.

- **Scale of BBC investment and coverage**

As stated earlier the SRU market impact report (enclosed with the DLA response) argues that the free BBC material will displace commercial product with a market value in the region of £400m. The existing market is c. £85m per year, so it is clear that if the BBC engages this scale of expenditure in delivering effective product free-to-air into core commercial markets, then they will quickly dominate.

- However, if the BBC were to maximise its expenditure in areas that **complemented** the provision of the commercial sector, then this would enhance the benefit of using ICT in schools, would justify their own role as a public service provider, would stimulate the demand for digital learning resources right across the curriculum, and would encourage commercial investment in supporting teachers to deliver the national curriculum. There is ample scope for the BBC to target more of its proposition at minority and specialist areas where economies of scale will preclude significant commercial investment. The BBC is uniquely placed to service the needs of pupils working at home, and also lifelong learners outside formal education. We had also expected that the BBC would want to contribute more resources for the 16-19 age range, for vocational subjects and for lifelong learning, as envisaged in their original consultation in September 2000 (Annex 2). This breadth of coverage is not reflected in their current proposition.
- It is essential that the coverage of the learning outcomes of each subject within each key stage is restricted to a level which provides much greater freedom for commercial providers and other Third parties to develop complementary resources. It should be restricted to a more practical level which takes into account the practical situation in schools and to the pedagogic needs of the subject.

Role of BBC Worldwide

1. We are concerned that there is little in the proposition which will restrict Worldwide from building on the licence-fee funded initiative in order to enter the commercial market for learning resources intended to deliver the national curriculum in the classroom. This is already a vibrant and diverse market which has never failed to deliver what schools require. If Worldwide is ever to become a player in this market, it should be on equal terms with the commercial industry.
2. We support the following proposal put forward by the EPC that the activities of Worldwide associated with the Digital Curriculum should be clearly specified as follows:
 - The BBC should make an undertaking that Worldwide shall not produce any print-based student material associated with the Digital Curriculum beyond technical manuals for the teacher or materials to enable the home learner to

make use of the Digital Curriculum. The DC is an electronic concept, and should remain so.

- There should be no special relationship between the publicly funded DC and further exploitation by Worldwide, beyond the technical manuals. If a modified service is approved, the BBC should encourage the wider value-added use of their DC material by allowing free licensed access to commercial providers without a cap and at marginal cost. Any BBC-derived proposal for further exploitation of DC material should be subject to a clearly defined tender process based on transparent and regulated decision criteria. This would enable a wide range of publishers to support the use of digital learning materials and to deliver maximum educational pay-back.
- Materials associated with the DC should cover only those elements of the curriculum covered by the DC itself, and should not become a vehicle for a comprehensive offering by filling in the gaps, for example, through printed resources.
- Where Worldwide produce independent material using digital content which does not draw on DC material there should be no use of DC logos nor any implied linkage.
- Development of assets in accordance with the DfES and internationally recognised standards, interoperable; learning objects.

There should be a process to monitor the activity of Worldwide according to these criteria, and to remedy any cases of transgression.

Promotion

The industry has asked that the BBC should cost in broadcast promotion of its service at commercial rates, but this is not mentioned in their submission. This in effect considerably enhances the scale of their investment when compared to a commercial provider and only adds to the scale of the commercial market required to ensure diversity and choice. We also believe that the BBC should be required to use the COL URL in its trailers rather than the BBC's own DC.

The BBC's Virtual Learning Environment, and its role in the distribution of electronic learning materials to schools

The initial VLE which the BBC proposes to develop in order to deliver its DC will be available free to schools. It is vital for the benefit of the long-term market that this VLE does not become the de facto standard VLE which schools will use merely because it is free. The industry's understanding following the negotiations in January was that the BBC would withdraw its VLE should a suitable commercial alternative become available, and this condition should be reinstated in full. The DfES is working on an open standard for VLEs in schools and the BBC should be required fully to comply with that standard and thus to stimulate interoperability of all digital learning resources in schools.