

## **Response to the Secretary of State's call for views on the BBC's proposal to introduce a new Digital Curriculum Service**

This document has been prepared by Pearson Plc in response to the Department of Culture, Media and Sport's public consultation about the BBC's proposal to introduce a new Digital Curriculum Service.

Pearson is a leading educational company. Pearson Education – its cluster of education businesses – provides core learning and teaching resources for all phases of education. Pearson brands – which include Longman, Dorling Kindersley, Penguin and Puffin – are known and respected in homes and throughout the educational community. Pearson Broadband and NCS Pearson are developing unique educational technology solutions for the delivery of interactive learning materials, assessment and testing and management information systems. Pearson plays a leading role in education across the world.

We fully support the government's vision of a Curriculum Online and welcome the opportunity which this provides to define the unique contributions which both public and private sector players can make. Pearson is vitally interested in the government's digital curriculum initiative and will participate in the development of the commercial sector. Thus, we are also vitally interested in government policies which promote the rapid establishment and robust growth of that sector.

The BBC has a record of innovation and quality and is a trusted brand in the home education market. We would like to see a strong and complementary role for the BBC alongside that of the commercial sector. We would welcome a role which offered a valuable public service in the provision of digital content, such as for home education and to support minority interests – areas which not viable commercially. The government's agenda for post-16 and lifelong learning provides an important opportunity for the BBC to contribute its expertise and assets.

As part of the Digital Learning Alliance, Pearson has taken part in protracted discussions with the BBC in an attempt to resolve a number of issues which prevent accommodation of both public and private sector ambitions in the development of Curriculum Online. These include the scale of spend and coverage of the curriculum proposed in the BBC's application, the proposed functionality and ownership of the VLE, plans for onward exploitation of the Digital Curriculum and levels of accountability by the BBC. It is our belief that every effort should be made to reach an agreement on these issues if the government is to realise its goal of creating a complementary, rather than competitive, role for the BBC. In the absence to date of such an agreement, the BBC's proposal remains unsatisfactory in several key respects. We would urge the Secretary of State, therefore, not to give approval to the new service agreement as currently drafted. Our reasons are detailed as follows:

**1 The BBC's proposed Digital Curriculum will compete directly and unfairly with products and services in which commercial companies have invested considerable resources already.** The BBC will use high levels of public funds to develop its service which will be offered free of charge to the educational community.

This is a matter of concern to Pearson in that it has invested heavily to develop and launch its own high quality and distinctive learning environment, KnowledgeBox. This service will be launched in January 2003. The BBC's Digital Curriculum will compete directly with this service, with the advantage that it is free to the market.

**2 There is little in the BBC's proposal which is distinctive or original.** The BBC proposes a service which will cover all subjects, for all ages and for all ability levels, thereby replicating current and planned activities in the market. This lack of focus not only detracts from any definition of distinctiveness, but also fails to represent good value for money for licence fee payers. The service neither builds on, nor offers collaboration with, products already in development by commercial companies.

In developing its own product, KnowledgeBox, Pearson has made clear its commitment to open technical standards and its willingness to collaborate fully with both the BBC and commercial players in content creation and distribution, functionality development and hardware provision. The functionality offered by KnowledgeBox (which in its second phase of development will incorporate assessment and information management) is in advance of that proposed by the BBC for its platform.

**3 The BBC's proposed Digital Curriculum could stifle choice and diversity in educational resource provision.** Choice is the hallmark of a vibrant and innovative market. The educational resource market is growing rapidly. Its current size is £85m and it is expected to double in size over the next five years. Companies working in this area have responded to the increasing levels of confidence and competence of teachers in handling ICT with a range of curricular-relevant and motivating products and services. By spreading its activities across age ranges and subject areas, and by providing its resources free, the BBC could discourage further commercial investment thereby gaining a monopoly position in the market to the detriment of variety, quality and choice.

**4 We would strongly refute the notion of 'market failure' as a justification for the BBC entering this market.** Pearson is one of several companies competing to offer innovative, quality resources to an increasingly well-prepared and discerning educational community. In developing these digital resources, we build on significant experience of publishing print-based courses and resources and in thoroughly testing these to ensure that they meet teachers' and pupils' needs. The BBC will compete with Pearson and others but with two considerable advantages: the scope of coverage it is able to offer through the sheer scale of its investment and the intention of providing its service free. These sole distinguishing features could significantly damage an increasingly vibrant market.

**5 We question the BBC's capacity to undertake mainstream curricular work as outlined in its proposal.** The BBC has a huge archive of quality televisual material; however, it is limited in other areas. In developing its digital curricular materials, Pearson is able to draw on some of the best-known brands in educational publishing (Longman, Puffin, Dorling Kindersley), along with the technology skills of Pearson Broadband and the expertise in assessment of NCS. In blending publishing assets, technology and assessment expertise, Pearson will develop a fully integrated curriculum, management and assessment solution – and will continue to invest in this

in response to changing market needs. Pearson's record in curricular development is proven. It has developed products which teachers use to deliver core curricular requirements day by day. We believe that the BBC should take greater cognisance of the experience and resources which are core to commercial developments and should seek collaborative and complementary activities in its proposed Digital Curriculum.

**6 We believe that there is no justification for the BBC's proposed curricular coverage of 50% of learning outcomes for core and foundation subjects.** This is well in advance of the amount of time schools are currently (and in the foreseeable future) able to allocate to ICT-based activities. Given, too, that many areas of the curriculum are unsuitable for delivery via ICT, the 50% coverage proposed by the BBC would effectively 'swamp' the market. There would be no room for commercial developments and teacher choice would, as a result, be severely limited.

**7 The BBC's own Commercial Guidelines state that BBC Worldwide is the preferred partner for the exploitation of assets.** The BBC's proposal for a Digital Curriculum is not specific about its plans in this area. However, we are concerned that the standard arrangements of the BBC for preferred partnerships would allow BBC Worldwide Ltd to enter and severely disrupt the schools market. The schools publishing market is vibrant and successful and serves schools well. We would strongly oppose a role for BBC Worldwide in this context which was not on completely equal terms with commercial companies.

**8 It is not clear that the BBC's Digital Curriculum will be universally accessible within a reasonable period of time.** The Digital Learning Alliance, of which Pearson is a part, has submitted a report on the viability and likely effectiveness of what the BBC is proposing as part of its submission. We consider that the BBC has not solved the problem of how to deliver rich content to the schools in a manner which will make it usable in every day teaching. Pearson's digital platform, KnowledgeBox, solves the distribution problem by offering multi-use, multi-media to schools through local caching. This provides an effective and simple means of delivery. We feel that public money would be saved and schools better served if the BBC committed to non-exclusive partnerships with commercial providers of relevant products and services in this important area. Without credible means of delivery, we believe the BBC will fail to make any real impact on schools. On the other hand, BBC activity would nevertheless have a destabilising effect in confusing the process of product selection (even if, in reality, the service provided proved inadequate) because it will be free of charge. If this transpires, the BBC's proposal could be doubly damaging – to investor confidence in commercial product development, and to teacher confidence in obtaining ICT resources which are easily accessed and used in the classroom. Furthermore, a significant amount of public money would have been wasted.

**9 Pearson has a strong presence across the world in education markets.** Its flagship digital curriculum product, KnowledgeBox, has been developed to meet the exact curricular requirements of the UK, USA and Singapore; other versions will be developed to meet the curricular needs of other countries. Whilst the pedagogy and content of KnowledgeBox for each country are unique, common developments (for instance, relating to functionality or interactivity) can be drawn on and reconfigured to the benefit of all. It is essential, therefore, to our world businesses

that the UK educational market continues to offer a vibrant context for the development of innovative curricular product.

**10 The £50m (2202-3) eLC scheme proposed by government is inadequate and insufficient as a balance to the £150m investment over five years proposed by the BBC.** We would urge the government to ensure that demand-side funding, in the form of eLCs, is at a minimum of £750m over five years. Only this will provide a balance against the projected BBC investment. We would also urge the DCMS, in reviewing the BBC's proposal, to consider the situation of the Nations where companies such as Pearson have strong markets. The BBC's free Digital Curriculum resources will be available but there are no current plans for electronic learning credits in these markets.