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PROPOSED NEW SERVICES FROM THE BBC

The BBC seeks the Secretary of State's approval, under Clause 2.3 of the Agreement, and in accordance with the Guidelines for the approval of BBC Public Services, to replace two of its existing digital channels with four new digital television services. The BBC also requests permission to start five new digital radio services and to make available the World Service in the UK.

Alongside this letter formally seeking approval and reporting the results of the BBC's public consultations, I enclose:

- A pro-forma based on the Government's criteria for approval of new BBC public services (Annex 1)
- A detailed description of each new service including its proposed budget (Annex 2)
- Details of supplementary research (Annex 3)
- The full results of the public service consultation exercise (Annex 4).

The BBC's digital vision

The take up of digital television is exceeding all previous forecasts. By the end of this year 30% of households are expected to have switched to digital television and around half of the country's children already live in multichannel homes. Similarly, by the end of the year more than a third of people will have access to the internet.

The BBC's aim has always been to ensure that it serves every licence payer with high quality and distinctive services which are available free to view. Digital technology expands the opportunities for the BBC to serve its audiences and it was this vision that underlay its original new digital TV channels, BBC Choice, BBC Knowledge, BBC News 24 and BBC Parliament. Those channels have given the BBC valuable experience of what audiences want from the new digital world.

The BBC is not seeking to launch extra TV channels beyond the digital capacity already allocated to it on DTT and used on DSat - it believes as a matter of policy that it needs to concentrate its resources on BBC ONE, BBC TWO and a limited number of digital channels. However, the BBC believes that it needs to increase its investment in, and the quality of, its digital channels and make Choice and Knowledge more focused on particular audiences and audience needs which are at present underserved. There are two specific reasons why the BBC needs to change and improve the quality of its existing digital channels:

1. As an incentive for analogue switch-off
2. To offer channels, and thus more choice, for those who cannot afford pay television but will be forced to go digital.

The research

The BBC's research shows that, while digital take-up is initially strong, there will be real difficulty in reaching the government's target of analogue switch-off by 2006-2010, as some 30-40% of the population are not interested in subscribing to extra digital channels. They need an incentive to switch systems; the BBC believes that, by providing a limited number of high quality, free to view channels, it will greatly increase the attractions of digital TV for them.

Similarly, in radio the BBC's unique archive of programming and its unrivalled production base means that it can offer exciting new digital stations which will encourage the take up of digital radio, at modest cost. The growth of digital radio has been slow to date. There are few exciting new commercial digital radio services to stimulate demand and so the cost of receivers has remained high. By offering these services, which will also be available online and on digital satellite, the BBC hopes to encourage the growth of digital radio and to serve the licence payer better.

In his statement to the House of Commons on 21 February 2000, the Secretary of State made clear that he shares the BBC's vision that it should both "provide a strong and distinctive schedule of benchmark quality programmes on all its

services and should drive the take up of new digital and online services". He welcomed the BBC's priorities for improving established services, expanding education work, developing interactive services and devolution in national and regional broadcasting. It was on that basis that he announced a settlement for the licence fee that will fund the BBC to the end of its current Charter in 2006.

It is against that background that the BBC has reviewed its vision for new services, originally set out in the 1999 consultation document "2000 and Beyond". In addition to the results of that consultation, it has done further research to find out what its audiences want and in particular which are underserved. The BBC has also received a licence fee settlement from Government and made significant savings within the organisation which will enable it to fund new services more adequately than before at the same time as increasing budgets on BBC ONE and BBC TWO.

In particular, the BBC's research shows that:

- **Children** want a rich and varied diet of programmes and the young particularly seek out high quality UK-produced material of the sort provided by the BBC. However, there is simply not enough of such material in a market dominated by American commercial children's channels and by animation.
- **Ethnic minorities** are seriously underserved by the UK broadcasting market, and lack adequate coverage of their cultural interests
- **Arts:** There is significant public demand for greater coverage of the arts and cultural issues, which is not confined to those who can afford pay TV.

Following this review, the Director General set out the BBC's vision in his MacTaggart lecture on 25 August. In that speech he announced:

- A commitment to preserve the principle of universality and to help to avoid the emergence of a digital underclass, by ensuring that a limited number of BBC digital channels of the highest quality are available free to view for the many people who will eventually switch to digital television but who do not want to have to pay a monthly subscription or do not have the money to do so;
- A limitation on the BBC's plans for new television channels to ensure that its aim of universality and the highest quality programming is preserved. This will mean that high levels of investment in its existing channels are maintained and also that its new services are better targeted on those who it knows are underserved by its current channels.

The BBC's proposals

The BBC's vision is for a total of eight television services and eleven digital radio services.

Four are existing television services:

- The BBC is investing significantly in all its existing services, in particular strengthening its regional output. As part of this, BBC ONE and TWO will remain at the heart of the BBC's public services offering a wide range of

programmes across all genres, including news and current affairs. They will benefit from a substantial increase in investment (an extra £95 million in 2001/2 and an extra £140 million a year from 2002/3) as well as the opportunity to show programmes made for the new digital channels. The rich and varied schedules of BBC ONE and TWO will continue serving all audiences, including those targeted by the new digital services.

- The BBC's UK news channel BBC News 24 will also continue, as will BBC Parliament, which will develop its commitment to covering the devolved Scottish Parliament and Welsh and Northern Ireland Assemblies as well as Westminster.

But the BBC proposes to replace BBC Choice and BBC Knowledge with four new television services.

The BBC also proposes to offer five new radio networks in addition to the existing Radios 1 - 5 Live and World Service.

The new services are as described in the consultation document "New Services from the BBC" published on 3 October and in the annexes to this letter. In summary they are:

- **New digital television services:**

- **BBC THREE** : comedy, drama, music, news, arts and education for a younger audience
- **BBC FOUR** : extensive coverage of the arts, sciences, history, philosophy and current affairs

The BBC would like to offer two children's services targeted at the very different needs of two distinct age groups. Both will be free of advertising, offering a rich mix of UK programming and available to children in households which cannot or do not want to pay.

- **A service for children under 6:** will offer a range of new, high quality, UK-produced educative and entertaining programmes for young children, alongside the BBC's highly valued existing pre-school strands
- **A service for children between 6 and 13 years old:** will offer new and exciting drama, comedy, entertainment, news and factual programmes with the best of current CBBC output, items from the BBC's rich drama and factual library, and the very best of world children's television for children.

- **Five new national digital radio services:**

- **Network X** (working title): black music, news and factual programmes for a primarily young audience

- **Network Y** (working title): will offer popular music from the BBC's extensive archive from the 1970s to the 1990s
- **Network Z** (working title): the best of current and archive radio programmes of comedy, drama, stories and features, with programmes aimed at both adults and children
- **BBC Five Live Sports Plus** : a new outlet for live sport
- **BBC Asian Network** : a range of programmes specially focused on Asian audiences currently available only regionally.

In addition, for some time as an experiment BBC World Service has been available in the UK on the BBC's digital radio multiplex (alongside its overnight availability on BBC Radio 4). This has been highly successful and is warmly appreciated by audiences so the BBC proposes that it becomes a full formal part of its UK digital radio offering. Of course the BBC's existing national network, Radios 1-5 Live, will continue to be available on digital radio.

The public consultation

The BBC has consulted the public about these proposed services and a full report of that public consultation is attached (Annex 4). The consultation exercise was conducted with advice from the research company, Southbank Consulting, who independently analysed the results. The Governors were pleased to note that the number of respondents to the questionnaire (at 6,768) was the highest response rate ever to a BBC consultation exercise.

However, the BBC must recognise that those who reply to its questionnaires are a self-selecting group who are prompted by trails on BBC TV, radio and online. Whilst conducting the formal consultation exercise, the BBC therefore also conducted a further research exercise involving a separate sample of over 1,000 people independently selected to be a representative cross section of the UK population.

The table below shows the principal results of the formal consultation exercise and the 1,000 person representative sample for each service:

	% of those who agree, or agree strongly	
	that the BBC is right to launch....	
	Consultation	1,000 survey

Television

- BBC THREE 65% 79%
- BBC FOUR 85% 84%

Radio

- Network X 49% 66%
- Network Y 58% 82%
- Network Z 78% 82%
- Five Live Sports Plus 54% 71%
- Asian Network 44% 66%

Childrens

- Pre-school children's channel % of those who agree or agree strongly that the BBC should provide....:
 - a channel without adverts 86% 89%
 - high quality UK programmes 89% 90%
 - a safe viewing environment for any children 80% 91%
- Older children's channel % of those who welcome or welcome strongly a BBC service which has....:
 - no advertisements 87% 91%
 - a majority of UK originations 78% 80%
 - interactivity 78% 91%

(It was interesting to note as a detail from both surveys that the level of support for the BBC's new digital television services, especially for its proposed new children's services, was broadly the same in both multichannel and non-multichannel homes.)

In the light of the public consultation, the Executive Committee and the Governors have reviewed the proposed services in order to decide whether any changes should be made to the BBC's proposals. They were interested to note that the approval ratings were slightly higher in the 1,000 sample survey than in the formal consultation for its proposed television services. For its proposed radio services the difference is even more marked.

The BBC does not want to spend licence payers' money on services that do not have strong public support (indeed it is one of the criteria used by the Governors to assess each public service). So while the Governors noted the high overall level of support for the services they looked very closely at the levels of support

shown for BBC THREE, Network X and the Asian Network. A key issue was whether their lower levels of support simply reflected the fact that these were services, like Five Live Sports Plus which particular target groups value highly but where the population as a whole is divided, or whether there was genuinely less support for these proposals. The results of the consultation exercise were therefore studied in greater depth and it was found that:

- Support for BBC THREE is strongly age related (87% of respondents aged 16-25 supported the idea but only 57% of those over 46). This is as one might expect for a channel strongly focused on younger audiences.
- Support for Network X is again age related (70% of those aged 16-25 support the proposal) but is also related to ethnicity (among respondents who described their ethnic origin as “Caribbean” 84% were in favour). Again this is as expected given the proposal’s focus on black music, news and speech aimed at a young audience. A supplementary, dedicated piece of quantitative research, summarised at Annex 3, suggested even higher levels of support among the core target audience, with over 90% supporting the proposition and saying they were either “very likely” or “fairly likely” to listen to a new black music station from the BBC.
- Finally, support for the nationwide roll-out of the Asian Network was much higher (80%) among respondents who described their ethnic origin as Asian.

Taking this further analysis into account, and noting the particularly strong support from those in the specific groups upon whom the services are focused, the Governors therefore decided that it was right for the BBC to seek to offer these services along with the others on which they had consulted.

Following the approval of the Governors, I therefore attach the pro-forma required under the Public Service Approval Guidelines, seeking the Secretary of State’s approval for these services.

Please do not hesitate to contact me should you require any further information.

CAROLINE THOMSON
Director, Public Policy

ANNEX 1

PRO-FORMA FOR THE APPROVAL OF NEW PUBLIC SERVICES

1.1 Description of the proposed new services

The new services are:

- Four new digital television services:

- **BBC THREE** : comedy, drama, music, news, arts and education for a younger audience
- **BBC FOUR** : increased coverage of the arts, sciences, history, philosophy and current affairs
- **A channel for children under the age of 6 years:** high quality, UK-produced educative and entertaining programmes for young children
- **A channel for children between 6 and 13 years old:** drama, comedy, entertainment, news and factual programmes for older children.
- Five new national digital radio services:
 - **Network X** (working title): black music, news and factual programmes for a primarily young audience
 - **Network Y** (working title): popular music from the BBC's extensive archive
 - **Network Z** (working title): the best of current and archive radio programmes of comedy, drama, stories and features and radio programmes for children
 - **BBC Five Live Sports Plus** : a new outlet for live sport
 - **BBC Asian Network** : a range of programmes specially focused on Asian audiences currently available only regionally.
- And making the BBC World Service in English available in the UK on a permanent basis to those with digital audio receivers and via the internet.

1.2 The requirement for approval

Clause 2.3 of the Agreement requires that the Secretary of State's approval must be sought if the BBC wishes to vary the number of its national television and radio services. The BBC is therefore seeking his approval because the proposals in this letter would add four new digital television services (by changing the nature of two existing services) and five new digital radio services to the current Home Services as well as making the World Service available in the UK.

1.3 Licence fee funding

The Governors have assessed each of these proposed services against the requirements of the Charter and Agreement and against their criteria for new public services, as published in the Annual Report. Those criteria require that, to justify licence fee funding, the BBC's public services must:

- Provide high quality programmes or content
- Uphold the BBC's editorial values
- Offer a distinctive mix of programming or content
- Contribute to the achievement of the BBC's public objectives
- Demonstrate public value or appeal to licence payers
- Be free at the point of use and universally accessible

The Governors' assessment of the current proposals is as follows:

Provide high quality programmes or content

Details of the new services and how, in particular, they meet the criteria for high quality programmes and distinctiveness and the BBC's objectives for public services under the Agreement are attached as Annex 2. The programming proposals mentioned are illustrative and budgets are approximate. Like all television and radio services, programming and budgeting for the new channels will develop and evolve over time and, once launched, the services will be reviewed annually by the Governors to ensure that they are still serving their public service objectives.

Upholding the BBC's editorial values

The new services will offer content which matches the BBC's objectives and will be subject to the BBC's Producers' Guidelines, which guide the activities of BBC programme commissioners, in-house and independent programme makers, journalists and all programme staff. The Producers' Guidelines are published and can be found on the BBC's website. In essence they commit the BBC to:

- Impartiality
- Accuracy
- Fairness
- Giving a full and fair view of peoples and cultures
- Editorial integrity and independence
- Respect for privacy
- Respect for standards of taste and decency
- Avoiding the imitation of anti-social and criminal behaviour
- Safeguarding the welfare of children
- Fairness to interviewees
- Respect for its diverse audiences and
- Independence from commercial interests

Contributing to the achievement of the BBC's public objectives

The Governors believe that the new services will contribute significantly to the BBC's public purpose of providing programmes of information, education and entertainment under Article 3(a) of the Charter and will support the BBC's fulfilment of its obligations for programme content in Clause 3 of the Agreement. In particular, as required by Clause 3.2, they will ensure that:

- the BBC better reflects the diversity of cultural activity in the UK,
- it widens its coverage of news and current affairs
- it further improves its coverage of sport and other leisure interests
- it offers more educational programmes, especially for children
- it offers more high quality, original programmes for children and young people
- it can better reflect the lives and concerns of its local and national audiences
- and it can commission more original programmes, including programmes made outside London and the South East

Demonstrating public value or appeal to licence payers

As outlined in the covering letter, the public consultation on these new services demonstrates conclusively that these services would in general be highly valued by licence payers. Where there is lower support, it is for the services targeted at specific underserved audiences. The research shows that amongst the target audience groups there is enthusiastic support for the proposed services.

Being free at the point of use and universally accessible

All these services, like the BBC's existing public services, will be made available without the need to pay a subscription and will be universally accessible by all those who have the necessary digital television, radio or computer equipment. The BBC's digital radio services will also be available online. Being free at the point of use and universally available are particularly important features of the proposed children's services, since there are currently no dedicated children's channels that are available without subscription to a commercial television package.

1.4 Value for money

The Governors have examined the proposed budgets for these new services carefully and are convinced that they will represent excellent value for money for the licence payer. Investment by the BBC in its digital services will remain a modest proportion of overall BBC spending (less than 15%), and the investment in new digital services will be complemented by increases in investment in BBC ONE and TWO. Value for money will be enhanced by the fact that much of the new programming commissioned for the new digital services will also be available to those using analogue equipment. (So, for example, new children's programmes made for the new children's channels will also be available to show on BBC ONE and TWO and the commitment to children's programming on those channels will be thereby enhanced). The cost per viewer hour of these new programmes will therefore be much lower than if the new programmes were only available to digital viewers. The 70% of households who have not yet switched to digital receivers will therefore also benefit from the BBC's investment in new digital services.

1.5 BBC approvals

The proposals have received the approval of the BBC's legal, regulatory and

policy advisers and were approved by the Executive Committee on 5 December 2000 and by the Board of Governors on 14 December 2000.

1.6 The public consultation

A full consultation was carried out under Clause 4.3 of the Agreement. Its full results are attached.

1.7 The timetable

The Secretary of State's approval is sought by the beginning of March 2001 so that the BBC can plan the launch of these new services.

1.8 Proposed launch dates

Current planned launch dates are:

- New digital television services
 - BBC THREE late 2001/early 2002
 - BBC FOUR late 2001
 - CBBC for under 6s mid 2001
 - CBBC for 6-13s early 2002
- The new digital radio services will all launch during 2001 and 2002

1.9 Further details of the proposals

See Annex 2. All the BBC's proposed new services will be available throughout the UK to those who have the appropriate receivers without extra payment and will abide by the BBC's fair trading commitment.

The new radio services will all broadcast on separate frequencies and will be available Online and via digital satellite but the children's services will share bandwidth with BBC THREE and BBC FOUR, broadcasting as separate channels between 6am and 7pm for CBBC under 6s channel and between 7am and 8pm for the CBBC 6-13s channel.

The World Service will be confirmed as being available on the digital radio multiplex as well as, as at present, online. Since this service does not involve any extra programming costs and uses existing capacity, it involves no additional cost to the licence payer.

1.10 BBC contact

Caroline Thomson, Director, Public Policy, will be very happy to answer any questions which the Secretary of State may have about these proposals.

BBC THREE

The BBC's objectives

BBC THREE is firmly rooted in the BBC's core objectives. In particular, as the only channel able to focus exclusively on the young and young at heart, it will ensure that the BBC better reflects the diversity of their cultural activity. It will also focus on bringing news and current affairs issues to an audience which is not attracted by more traditional approaches. BBC THREE will ensure that the BBC better reflects the lives and concerns of young audiences who feel underserved by its present services.

The proposal

BBC THREE will be the only channel focussing exclusively on Britain's young adults across the whole range of genres, including news, drama and current affairs. Freed from commercial pressures its programming will be funded at levels comparable with those of BBC ONE and TWO commissions. It will also be distinctive from existing commercial channels:

- It will be the only free to view channel which will focus exclusively on entertaining, informing and educating a young audience in a way which is relevant to them.
- BBC THREE news will also be unique, in that it will target the attitudinally young directly - it will be stylish and modern without compromising journalistic content.
- Freedom from commercial pressure will enable programme makers and viewers to innovate and let their imagination fly free. It will assist its focus on bringing on new talent while regenerating established talent.
- It will be inherently multi cultural and will commission at a speed impossible for conventional channels. This speed will allow the channel to honour its commitment to being reactive and responsive without compromising production values or editorial development.
- It will have access to and commitment from high profile, exclusive BBC talent.
- BBC THREE's scheduling will be flexible so as to honour the channel's commitment to being timely, relevant and of the moment. It will have a strong and contemporary soundtrack.

Schedule: 8pm to 2am seven days a week

Aimed at: 16 to 34 year olds

Illustrative Programmes:

- Live Hourly News Bulletin, existing on both TV and the web
- Contemporary Drama such as *This Life* - led by exciting modern authors
- Light Entertainment such as *Never Mind the Buzzcocks* - intelligent and

- compelling
- New Talent Comedy Shows such as *The League of Gentlemen* - bringing on new and established talent in surprising and creative ways
- Music Entertainment focussing on performance
- Sport Entertainment such as *They Think It's All Over*
- Factual Entertainment with an international feel and high celebrity input

New content: around 80% (include repeats of new content)

British content: around 90%

Budget: £57 million in 2001-2 and £95 million from 2002-3

BBC FOUR

The BBC's objectives

A key purpose of the channel is to represent the diverse range of cultural life of the UK as a whole. There will be a specific commitment, overseen by the Music Department in BBC Wales, to recording and broadcasting performance from the Nations and Regions, including coverage of key festivals around the country.

The proposal

A dedicated channel allows many new kinds of programming to flourish outside the constraints of a typical mixed schedule. The BBC will make full public service use of the additional spectrum opened up by digital. Performance by its nature is of variable duration and the new channel schedule will be designed to accommodate this, allowing a wider range of content than previously possible. Documentaries will regularly be given space to run at greater length or explore subjects in more depth than television generally allows. Cultural debate, comment and discussion will be given primetime space for the first time. World cinema will find a more secure home on BBC FOUR than on any other free to view service.

Within its broad culture and ideas remit BBC FOUR will feature a far wider and more ambitious range of subject-matter than either Artsworld or Performance Channel, including science, business, social issues, philosophy, politics and global affairs and it will of course be freely available to those who cannot afford premium rate subscriptions. Even within the performance genre BBC FOUR will have a unique offering, including extended coverage of key events such as the BBC Proms, Young Musicians and Cardiff Singer of the World, and programmes deriving from the BBC's established partnerships with organisations such as the Royal Opera House. In addition, it should be noted that in the commercially marginal and risky area of arts programming a secure publicly-funded free to view service can have the effect of building audiences and appreciation for the genre as a whole, as well as maximising exposure and opportunities for the creative talent base.

It should be stressed that BBC FOUR is an extension of BBC Television's cultural programming, not a substitute for it. The BBC has undertaken that the

volume of Music and Arts on BBC ONE and TWO - approximately 230 hours per annum - will be unaffected by the launch of the new channel.

Schedule: 7pm to 1am every day

Aimed at: anyone interested in culture, arts and ideas

Illustrative programmes:

- British and international performance: concerts, dance, theatre, world music, jazz
- Factual and arts documentaries in the spirit of *Omnibus*, *Horizon* and *Storyville*
- Weekly cultural magazines and debates
- Interviews and discussion in the style of BBC Radio's *In Our Time* or *Private Passions*
- World cinema
- News with an international and cultural slant

New content: around 70% (include repeats of new content)

British content: around 70%

Budget: £26 million in 2001-2 and £31 million from 2002-3

THE CHILDREN'S CHANNELS

The BBC's objectives

The proposed children's channels will greatly assist the BBC in meeting its objectives of offering more high quality, original programmes for children and young people more generally. The educational emphasis in the pre-school channel is also clear. The older channel will stimulate learning through its connection to resources online as well as through the provision of factual programming and the exploration of life-skills within drama and quality-produced comedy and entertainment.

The BBC's emphasis on British produced programming of direct cultural relevance to children in the UK in no way precludes reflecting cultural diversity and indeed a wider window on the whole world from a UK perspective. With this

in mind, co-production and the creation of potential world-wide web-communities of children are part of the agenda for these services.

The older channel is also committed to an expansion of news and current affairs output for the 6-13 age-range and to the inclusion of programming reflecting social engagement, citizenship and life-skills, in the tradition of *Blue Peter*, *Short Change* and *Sort It*. Extensions to programming hours and the plans to develop new factual brands and extend the range of existing brands will create the conditions to reflect children's sports and leisure interests in more detail than ever before. The channels' budgets will also allow considerable expansion of CBBC's programme commissioning both from within the BBC and the independent sector. BBC Scotland will be a significant provider of programming, as will the BBC regions and regional independent companies.

It is important to emphasise that the BBC's proposed new children's channels are not designed to replace the existing commercial channels for children. The BBC's aim is twofold:

- To complement the existing commercial channels in homes which want and can afford to pay a subscription for digital television; and
- To ensure that services for children are also available to those who cannot or do not wish to pay subscriptions

It is clear from the public consultation exercise that there is overwhelming public support for the BBC's proposals both from those in multichannel and non-multichannel homes. The BBC therefore believes that its proposals will also encourage the take-up of digital television in accordance with the Secretary of State's objectives for the BBC as set out in his statement to the House on 21 February 2000.

Distinctiveness

The BBC's proposals will complement existing commercial services to widen the choice and diversity of programming available to the public. Existing commercial children's channels, for example, offer a service based largely on imported material, archive programmes and cartoons. These channels are deservedly popular with children but the BBC believes that children should also be offered the choice of more new UK made programmes with greater educational content and interactivity.

The CBBC proposals are also distinctive in that they propose a significant increase in spend on production in the UK opening up opportunities for both in-house and independent producers and helping to stimulate the children's production market.

A channel for children under the age of 6 will offer a range of new high quality UK-produced educative and entertaining programmes for young children, alongside the BBC's highly valued existing pre-school strands. Available all day, the service will provide a consistently safe environment for the youngest audience, enhanced by the availability over time of an interactive television wraparound service.

The channel will offer a rich mix of 90% British programming, a quarter of which will be new material, all specifically targeted at the under 6 audience. Indeed, just over three quarters of the channel's investment will be in new British programming. This investment is in addition to the BBC's current spend on CBBC ONE and TWO. Selective use of the CBBC library material and UK acquisitions together with *Teletubbies* and *Tweenies* will ensure that the channel retains a predominantly British tone. There will be a much greater proportion of British programming, especially new programming, than the only commercial channels focused on this age group.

The BBC's proposal also involves a higher degree of educational programming than its competitors, and will offer in time an additional unique interactive service to support the television offering. This will provide further learning opportunities through games and stories, to encourage shape and colour recognition, categorisation, and memory development. It will also offer in-depth information for parents and carers and will be related to a range of integrated online sites stimulating learning through discovery and play.

A channel for children aged between 6 and 13 will offer new and exciting UK programming in a mixed genre schedule targeted across the age range and available up to 8pm each evening with a broadly interactive agenda. Innovative production techniques, an extensive integrated online offering and emphasis on live programming and presentation will encourage children to participate in the channel's output far more than the BBC's competitors can hope to achieve commercially and develop children's creative contributions, opinions and ideas.

The channel will offer new UK-produced drama, comedy, entertainment and factual programmes with the best of current CBBC output. Together with the rich drama and factual library and the very best of world children's television it will provide the full CBBC diet at all the times of day when children are able to watch.

The channel will be unique in its provision of live news bulletins for children from *Newsround* at least three times a day. Plans for an extensive children's rolling news Website and *Newsround* interactive service currently in development, indicate the commitment to challenging, informative material presented in inclusive ways.

Connecting with children through the various means at their disposal - letter, phone, e-mail, SMS messaging and web-based communities - will be at the heart of the channel's purpose and an interactive live "core" to the channel will create a service which children can truly call their own. Programmes and presentation sequences will be built around the enthusiasms and opinions expressed by viewers. An extensive club-based system of websites will provide children with a CBBC community online and a direct means of access to their channel from home or school and the channel's digital text service will complement this. Online and interactive resources will provide mechanisms for children to contribute their own creative material via webcams, video-streaming and animation engines, with return-path technology over time also providing them with further means of shaping the agenda and outcomes.

Conventional programme-making techniques will still provide a significant proportion of the output, especially in the areas of drama and comedy, though with cost benefits relating to economies of scale. But every opportunity will be taken to extend the depth, range and inclusiveness of programming through interactivity. In sum, the BBC intends to develop a unique new relationship between CBBC and its audience.

The Online service will also make available a rich array of related information in depth, with the BBC uniquely positioned through its educational websites and web-guide role to create seamless “learning journeys” associated with children’s favourite programmes, characters and brands, and to act as web-guide to the wider world of the internet.

Around three quarters of the channel’s output will be British programmes. A quarter of the schedule’s output will comprise originations which will represent almost three quarters of the total programming budget. This investment is in addition to the BBC’s current spend on CBBC ONE and TWO. A further half of the schedule will reflect catch-up material from CBBC ONE and TWO and the best of the CBBC archive, extending the opportunities to view, for all audiences, at differing times of the day and year.

New investment

The BBC plans a significant increase in the spend on children’s television production, adding a further £30m per annum to the current £40m commitment to children’s programming.

Channel Budgets: £10 million pa in 2001-2 and 2002-3 for the under 6s channel
£31 million pa in 2001-2 and 2002-3 for the 6-13s channel

NEW DIGITAL RADIO SERVICES

The BBC’s objectives

Digital radio is rooted in the BBC’s core public service objectives. Taken together, the new networks will widen the BBC’s coverage of news and current affairs, matching the BBC’s standards on impartiality, accuracy, editorial integrity and independence, and will extract maximum value for the licence fee payer from rights it already owns. In particular also:

- Network X and the Asian Network will better reflect the cultural activity, the ethnic interests, and the lives and concerns of Britain’s black and Asian communities
- BBC Five Live Sports Plus will improve its coverage of sport and
- Network Z will offer more high quality radio programmes for children

Network X (working title)

- Network X will be a first for the UK Radio market - a station dedicated to

playing the very best in contemporary black music to a young audience. Covering all the popular 'urban' music genres such as Hip Hop, UK Garage and R'n'B, Network X will provide a unique radio service primarily aimed at a young audience who are currently ill-served by both the BBC and the commercial sector.

- Innovative and relevant speech will also be a mainstay of Network X's approach and it will provide dedicated news coverage as well as in-depth features and discussion shows relating to issues facing this young audience.
- Club-nights and live music are key drivers of the urban music scene and Network X will actively support these areas, building on BBC Radio 1's continued involvement with the Notting Hill Carnival. Regular station-led events will also form a pivotal part of the output, bringing new artists to the audience and supporting the UK urban music industry.
- Network X will reflect, support and provide a much-needed outlet for the young fan of black music and help the BBC provide a full and fair view of peoples and cultures, respecting its diverse audience.

Budget: £5 million in 2001-2 and £6 million from 2002-3

Network Y (working title)

- Network Y will be targeted specifically at people who are interested in music and who want to learn more. It will offer the best music not just that dictated by the charts. The breadth of work of individual artists will be reflected, mapping their development and the creation of popular music culture. The Network will offer a wider selection of music than commercial stations can.
- The station will gather new recordings to augment those already stored in the BBC archive, making this material available for the first time, free at the point of use. It will allow the public to hear new artists who will be the enduring icons of the future, particularly those who are not enjoying commercial support demonstrating its independence from commercial interests.
- Speech output, through news, features and documentaries, will be based on developing an understanding of the music and its context, or reflecting the interdependence of musical and social trends.

Budget: £4 million per annum

Network Z

- Network Z will take the best BBC Radio speech programmes, both contemporary and archive, and offer a comedy, drama, stories and features with unabridged readings from the world's great literature.
- The Network will be the home of children's speech radio on digital with parts of the schedule regularly devoted to stories and feature programmes for children, broadcast without advertisements or commercial pressures.
- Freedom from commercial pressures will enable the Network to serve the licence payer with a unique high quality speech based service.

Budget: £3 million per annum

The Asian Network

- The Asian Network will be a new service nationally but is already available in the Midlands, parts of Lancashire, Yorkshire and Cambridgeshire.
- The Network will be the only national network focused entirely on the interest of Asian audiences in the UK, giving a full and fair view of the various Asian communities throughout the UK, reflecting back to themselves and the wider community.
- The service offers a wide range of programmes, from new and current affairs to entertainment and music.
- The service is primarily in English but includes three to five hours of language programming every day, rotating between Hindustani, Hindu/Urdu, Bengali, Gujarati, Punjabi and Mirpuri.

Budget: £3 million per annum

BBC Five Live Sports Plus - high quality and distinctiveness

- BBC Five Live Sports Plus will provide an alternative platform for the broadcast of live sport, with the production values associated with Radio Five Live Sport.

- A new service provides us with the opportunity to exploit rights belonging to the licence payer more fully, offering further choice to the listener of live sports coverage and better exposure for the rights holder, thus ensuring better value for money for the licence fee spend on rights.
- Five Live will offer front-line live sport as an added service and as a complement to the events on its analogue frequency.

Budget: £2 million per annum

ANNEX 3

BBC Radio Proposal: Results of Supplementary Research on Network X

Background

- On behalf of Radio 1, Alpha Research conducted a piece of quantitative research in November 2000 as an independent and supplementary study to support the official consultation process.
- 1001 15-24 year-old African-Caribbeans were interviewed in London, Bristol and Sheffield.
- Questions were exact duplicates of the questions in the official consultation.

Results

1) 'Were you aware before this interview that the BBC was planning to launch a range of new digital TV and Radio services?'

Yes 10%
No 90%

2) 'How much do you agree or disagree that a music-based service for a young, urban, ethnic audience, particularly the African-Caribbean community, is the sort of service that the BBC should be providing?'

Agree strongly	57%
Agree	34%
Neither	6%
Disagree	1%
Strongly disagree	2%

3) 'How likely would you be to listen to a new black music station from the BBC?'

Very likely	69%
Fairly likely	23%
Not very likely	5%
I definitely wouldn't listen	1%
DK/NA	1%

4) 'Which radio stations do you listen to on a regular basis?'

% listening to....

	South	North	Midlands
Radio 1	30	35	32
Choice FM	51	-	-
Kiss 100	50	-	-
Galaxy -	55	64	
Any Pirate	21	24	30