



00/28546

22 February, 2001

Paul Heron
Head of Public Service Broadcasting Policy Branch
Department for Culture, Media and Sport
2-4 Cockspur Street
LONDON
SW1Y 5DH

Dear Paul,

PROPOSED NEW SERVICES FROM THE BBC

Thank you for your invitation to make representations.

The Commission has read the BBC's proposals with interest. We understand the BBC's interest, ambition and enthusiasm for seeking to extend the availability of attractive digital services that meet its public service broadcasting remit.

The Commission notes the current level of digital take-up and the fact that the current terrestrial channels continue to hold a significant audience share. But numbers of consumers are not yet persuaded of the benefit of pay services. The counterpart of digital enthusiasm is digital resistance, as noted in the BBC's own proposals. Striking the right balance between serving all the BBC's licence fee payers through existing terrestrial services, and encouraging migration to digital will be a challenging task.

It therefore seems to the Commission that any new BBC digital services have to be a genuine extension of choice and provide material that would not otherwise be available elsewhere. At this stage, the Commission takes the view that the investment in new services should not be at the expense of existing services.

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The Commission also recognises the importance of consultation with the public to test their views. The difficulty with the material presented here by the BBC is that it is inevitably a self-selecting sample and no detail is given of the independent research mentioned on page 6 of the letter of the Director of Public Policy. It also probably accounts for the relative difference in enthusiasm for BBC 3 and BBC 4.

In television, it would be helpful if the BBC was clearer about its current ambitions for BBC 1 and BBC 2, in order to better evaluate the proposals for BBC 3 and BBC 4. For example, much of what is proposed by way of entertainment or the arts for both 3 and 4 could, and should, currently find a place on BBC 2 to serve the existing terrestrial audience.

There also has to be a doubt about whether the proposed cost of BBC 4, at £26 million rising to £31 million, is in any way adequate to the task described or the genres being covered.

On balance, it seems to the Commission that a more effective use of the licence fee is to put investment into digital propositions aimed at a younger audience which is where the BBC's longer term challenges lie, rather than super-serving an already well catered for section of society. So the Commission would be more supportive of BBC 3 than BBC 4. The children's proposals are attractive, in terms of both UK origination and an advert (and product marketing?) free zone. But the Commission also recognises that there are a number of commercial children's channels already available. In the Commission's view, this needs further study and debate to determine whether the BBC's proposals will add real public service value to what is already available or will unfairly distort the market.

Although not the precise subject of this consultation, the Commission remains doubtful about the long-term viability of two 24-hour BBC news channels. It understands their different purposes; however, it questions their ability to sustain quality separately. Each could benefit from elements of the other.

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In radio, again, the Commission understands the BBC's desire to serve audiences from the ethnic minorities in Network X and the Asian Network. But it would also wish to underline the importance of cultural diversity within mainstream BBC services. These propositions should only go forward on the back of real advance in both television and radio terrestrial services and further consideration of any potential market distortion.

Network Y seems to the Commission to be a proposition which is already served by commercial radio. The Commission is unconvinced by the public service rationale.

Again, Network Z should not become an excuse to avoid children's programming on the main networks.

Generally, the editorial remits for the various digital radio propositions are not very well defined.



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Director

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From the Chairman

27 June, 2001

Ms Vanessa Brand
Head of the Public Service Broadcasting Branch
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2-4 Cockspur Street
LONDON
SW1Y 5DH

Dear Ms Brand

**THE DISTINCTIVENESS OF THE BBC'S PROPOSED NEW SERVICES AND
THEIR ROLE IN DRIVING DIGITAL TAKE-UP**

Thank you for your invitation to comment on the additional information provided by the BBC on their proposed new digital television and radio service.

Having read the additional information, we do not feel we have anything to add to the points of principle raised by our response of 22 February 2001.

Your email

Andy Dubs

Lord Dubs



INVESTOR IN PEOPLE