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Rt Hon Tessa Jowell, MP,
Secretary of State, DCMS,
2-4 Cockspur Street,
London SW1Y 5DH

17 July 2001

Dear Ms Jowell,

BBC Digital Channels

As Chairman of one of Britain's largest independent production companies, I am writing to express my support for the BBC's current plans to establish new digital channels this Autumn.

The BBC's planned new channels should hugely benefit our sector. Already the BBC has demonstrated that it intends to be the first broadcaster to invest proper production funding into digital channels. Instead of the miserly budgets normally offered for digital production – a fraction of the amount spent on terrestrial output – the BBC are already commissioning programmes for its planned new channels with budgets which will enable us to produce programmes of real quality, offering viewers choice and properly revitalising our creative sector. The consequence of this strategy is that viewers will, for the first time, have a real incentive to switch to digital, surely a main goal of the Government's communications strategy.

At present only the BBC can offer this opportunity. Revenue from digital broadcasting is likely to remain low for several years and yet the industry urgently needs channels that offer viewers home grown "must-see" programmes. Hitherto, broadcasters' digital channels (such as E4, ITV2) have relied entirely on first run American product (Friends, ER) or reruns of terrestrial shows in order to generate ratings. All other digital channels are woefully under funded. By its declared commitment to themed channels with terrestrial-sized budgets, the BBC has introduced a brave and inspired policy which, frankly, appears to be the only practical route towards an accelerated analogue switch off. Provided this commitment to programme spend (and therefore quality) is enshrined in their licence, this strategy should be encouraged, and implemented with urgency.

Yours sincerely,



Tom Gutteridge
Chairman
Mentorn Group Ltd.

