

Paul Heron  
Head of Public Service Broadcasting Policy Branch  
Room 410  
Department for Culture, Media and Sport  
2-4 Cockspur Street  
London SW1Y 5DH

5 March 2001

Dear Paul Heron,

### **Proposed new public services from the BBC**

We welcome the opportunity to comment on the consultation on the BBC's proposals for new public television and radio services, and the slight extension of the deadline which has enabled us to respond.

The proposals raise a number of complex issues regarding the BBC's role in public service broadcasting, and the question of digital switchover. Unfortunately these matters have been rendered even more complicated by the nature of the consultation process itself. Examination of the proposals should be based on a consideration of the BBC's position within the framework of public service broadcasting. But there is, as yet, no clarity about this framework. While we support many of the proposals in the recent White Paper on communications, it singularly failed to present a clear overview of PSB and the roles of the main providers.

According to the proposals, the BBC Governors state that the new services will contribute significantly to the BBC's public purpose of providing programmes of information, education and entertainment, and will support fulfilment of its obligations for programme content. But, as we have stated elsewhere, the BBC's formal public service obligations are striking in their generality (*Tuning In To Consumers*, NCC, 2000). As a result, it is difficult to see with certainty how the proposals will affect the BBC's public service output. It is not appropriate, in any case, for the BBC's Board of Governors to decide on whether the proposals meet the BBC's public service objectives. This function should be performed by an independent regulator and, until such changes are made to the BBC's regulation, should have been made instead by the Secretary of State.

The Government has still not carried out the review of current BBC digital services, starting with News 24, which the Secretary of State announced in February 2000, to ensure that those services were achieving what was promised when they were approved. It is unsatisfactory and illogical for new digital services to be considered and approved without a prior assessment of existing digital services. Given that BBC Choice and BBC Knowledge will be replaced, surely it would make sense to assess the performance of those services before approving their replacements.

Other problems with these proposals relate to the BBC's public consultation exercise. For instance, respondents were not given a choice of other ways in which the money allocated for new digital services could be used. It would have been better to offer a choice of options for additional channels, each devoting different levels of resources to different public service genres, rather than merely presenting a favoured proposal and expecting the debate to revolve around that.

The figures given for planned spending on new digital services were also lower in the consultation booklet than stated in these proposals. The BBC had stated that it planned to spend an extra £100 million on the proposed digital services in 2001/2 - presumably the television channels as separate figures are stated for radio - and £140 million in 2002/3. However, by adding up the figures for each new channel given in the proposals, the budget is £124 million for new digital TV services in 2001/2 and £167 million in 2002/3. The BBC is increasing its spending on BBC1 and BBC2: £95 million extra in 2001/2 and £140 million extra in 2002/3. But these amounts will be lower than the spend on the new digital services. The planned higher spend on new digital services seems to be at odds with the statement in the BBC's consultation document that 'The lion's share of our new investment should go to our two core services - BBC1 and BBC2.'

Although the consultation did state that the new services would be digital, there is a lot of confusion among consumers as to what this means and how digital services can be accessed. We cannot be completely confident that all respondents understood that the new services will only be available to those with digital equipment.

However, broadcasting services play a central and powerful role in our lives and in the national life, and we do not adhere to a narrow view of PSB which would marginalise the BBC to providing only those services which the market does not offer. For instance, the provision of children's channels by commercial broadcasters should not be a reason for the BBC necessarily to be prevented from offering such channels. Indeed, many parents are likely to find it beneficial that BBC children's channels would be available without advertising. Moreover, if the BBC's position as the major PSB provider is going to be sustainable in the long-term, it should adapt to the new broadcasting realities, and indeed opportunities (increased spectrum scarcity and interactivity for example, offer the possibility of enhanced PSB provision) of the digital era. Indeed, it is vital from the consumer standpoint that the BBC does adapt, to ensure that services continue to be available on a universal free-to-air basis.

But there is a dilemma here: Many people are not interested in switching to digital broadcasting - according to the proposals, some 30 to 40 per cent of the population are not interested in subscribing to extra digital channels. The timing of analogue switchoff should be determined by consumers' interests, and not that of industry. It may well be that a substantial proportion of the population decides against switching to digital television or radio for quite a few years. It would not then necessarily be in their interests for resources to be devoted to digital channels which could be used instead to improve existing analogue

services. Although the proposals refer to much of the new programming for the digital services being made available on analogue, it is not clear precisely how much beyond the new children's programmes will be available. Nor is it clear how quickly the new programmes will be transmitted on analogue.

From the consumer standpoint, we would prefer these proposals to be considered after the existing digital services have been assessed, which would then better inform this process. This would also provide the government with a further opportunity to set out its vision of the framework for public service broadcasting and clarify the BBC's role within it. Given the digital switchover is still some years away, the consumer interest would be better served by a more considered and logical approval process, than by a too-hasty decision aimed at hastening analogue switchoff.

Yours sincerely

Linda Lennard  
Senior Policy Officer  
National Consumer Council

Vanessa Brand  
Head of the Public Service Broadcasting Branch  
Department for Culture, Media and Sport  
2-4 Cockspur Street  
London SW1Y 5DH

6 July 2001

Dear Vanessa Brand,

**BBC proposed new digital services**

We welcome the opportunity to comment on the additional information supplied by the BBC with regard to its proposals for new digital services. Although we appreciate the slight extension of the deadline for responses which has enabled us to comment, we must register our disappointment at the extremely short deadline - only 18 working days.

We are also most concerned about the Department's decision to withhold publication of the questions that were put to the BBC, which have elicited the information circulated for comment. It is thus impossible for us to know whether the questions posed or the BBC's replies are sufficiently comprehensive and would satisfy consumer concerns.

Before commenting on the additional information supplied by the BBC, we wish to draw attention to the following points. These were made in our response to the original consultation but remain valid:

- The flawed nature of the consultation exercise undertaken by the BBC, especially the failure to offer respondents a choice of other ways in which the money allocated for new digital services could be used.
- The absence of a comprehensive government review of the BBC's existing digital services - it is unsatisfactory and illogical for new services to be considered and possibly approved without prior evaluation of existing services.

We do not feel it is appropriate for NCC to comment in detail on the proposed content of each of the new digital services as we are a generalist consumer body and have not carried out direct consumer research ourselves on people's views on this type of content issue. However, we would like to make the following points.

We understand there is a dilemma for the Department and the BBC in ensuring universal access to existing and future PSB content on analogue and digital broadcasting services. As we recognised in our original response, the BBC - as the major PSB broadcaster - has to adapt to new broadcasting realities and opportunities, including those offered by digital technologies. It is especially important from the consumer standpoint, including that of disadvantaged consumers, that BBC services continue to be offered on a universal free-to-air basis as digital broadcasting develops. This will mean, however, pragmatically accepting that there will be two types of PSB services available on analogue and digital for the foreseeable future, as new content will need to be developed for the digital channels to make them distinctive.

Nevertheless, it would be unacceptable for the quality or diversity of content on the BBC's analogue services to be adversely affected through resources being devoted to digital. Investment in digital must be over and above that spent on analogue services, and the latter must be maintained at current levels at the very least. It is impossible to predict with accuracy the numbers of people who will want to switch to digital. Only around 30 per cent of people are currently estimated to have digital television, according to the MORI survey carried out recently for your Department. 15 per cent of people interviewed for the MORI survey said they will never get digital TV, 25 per cent said they are unlikely to get it by the end of 2006, and 5 per cent predicted they would get it in 2007 or beyond.

We welcome the BBC's assurance that it has no intention of removing programmes and genres from BBC1 and BBC2 onto the new digital services, and that programmes commissioned for the new digital services will be available on these channels. We consider that viewers' and listeners' interests should be safeguarded further through formal obligations being placed on the BBC to this effect, and that investment in analogue radio and TV services will be maintained at least at current levels. For instance, we are concerned about the BBC's statement that BBC Four will be 'the most intellectually and culturally enriching channel on TV.' An obvious question is what will this mean for content provided for analogue viewers of BBC2?

The provision of channels by commercial broadcasters should not necessarily preclude the BBC from offering channels aimed at similar audiences. For instance, many parents are likely to find it beneficial that BBC children's channels are made available offering a range of original UK programming without any advertising. The opportunities available through digital technologies could enable the BBC to expand the range and diversity of programming offered through its analogue services and new digital channels.

What is needed, though, is far more clarity about the roles of its analogue radio and TV channels and, separately, its digital services. But, as a result of the generality of the BBC's public service obligations and the absence of a clear framework for public service broadcasting as a whole, it is very difficult to see where the BBC's services are meant to sit within the overall PSB ecology. The decision on these proposals needs to be taken in the context of a clear view from the DCMS as to the role of the BBC's various analogue and digital services.

While the BBC stresses the importance of its new digital services for expanding digital takeup, the role of the new services in driving digital takeup was not explicitly included as part of the criteria set out by the former Secretary of State for approval of new BBC licence fee funded services. Unless those criteria have been amended - in which case this should be made public - consideration of the BBC's role in this respect should not influence the Secretary of State's decision on these proposals.

If the drive to digital takeup is an intended aim of these proposals, the DCMS needs to examine carefully the extent to which BBC's proposals will achieve this objective. In particular, the MORI survey identified non-digital television viewers as more likely to be female, in older age groups, in social grades C2DE, and not to have children. However, BBC3 is aimed at a younger age group of 16 to 34. BBC 4 is aimed at over 35s but it is not clear from the information provided whether its content will specifically be targeted at the groups identified in the MORI survey as non-digital viewers.

Above all, the decision on the BBC's proposals must be taken with the consumer interest as the over-riding priority, rather than that of any section of the industry. It should be taken in the context of a clear public vision from the Department as to the respective roles of the BBC's analogue and digital services within the PSB spectrum, and how these proposals would help to achieve this vision. Great care must be taken to ensure that there is no risk to existing analogue services through any development of digital channels by the BBC, especially in terms of diversity and innovation in content.

More broadly, this issue highlights the urgent need for a comprehensive review by government of public service broadcasting and the roles of the various players, including that of the BBC.

I can, of course, confirm that we are happy for our comments to be made publicly available.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jill Johnstone', written in a cursive style.

Jill Johnstone  
Head of Policy Research and Strategy