

BBC NEW DIGITAL SERVICES

SCHEDULE OF DECISIONS: 13 SEPTEMBER 2001

In this schedule, as in the note to which it is attached, references to the 'information from the BBC' means the letters of 9 January from Caroline Thomson to Andrew Ramsay and 21 May from Greg Dyke to Robin Young and all information provided by the BBC in relation to the BBC's application for approval of new digital television and radio services.

The Secretary of State has made these decisions on the basis of all the information from the BBC and the responses made to the Department's consultation as well as to advice from the Office of Fair Trading, and the relevant DCMS officials including legal advisers, accountants and economists and others within and outside DCMS as necessary.

Conditions which apply to all the approved services or to all television or all radio services are set out in Part I of this Schedule, and those which apply only to a particular service are set out under the relevant heading in part II of the Schedule. The BBC must observe the conditions in good faith, in accordance with their spirit. For the avoidance of doubt, where, for whatever reason, the services as delivered fail to comply with the spirit of the conditions, that will be taken, where appropriate, into account (together with any other relevant consideration), in deciding whether the Secretary of State should exercise, after consultation with the Corporation, any of the freestanding powers conferred by paragraph 16.2 of the Agreement in relation to the approval of the services.

Similarly, where anything contained in the information from the BBC has not been expressly incorporated in a condition, it should not be assumed that it has not been taken into account in the decision, or that any deviation from it would not be regarded as having the potential to be relevant to any decision which the Secretary of State may consider taking under paragraph 16.2 of the Agreement.

PART I GENERAL CONDITIONS

All approved services including the World Service as broadcast in the UK are subject to the general conditions set out below. These general conditions are imposed to ensure that the services match the role and remit of the BBC and to make clear that it is the Governors' responsibility to regulate and account publicly for the BBC's performance.

1. That high general standards in all respects (and in particular in respect of content, quality and editorial integrity) be maintained in relation to each service.
2. That the BBC Governors monitor the implementation of the new services and report each year in their annual report on their delivery in line with the BBC's commitments and the conditions set including an analysis of the distinctiveness of the service.
3. That there will be a periodic review of the services by the Secretary of State. Such a review will involve seeking detailed confirmation from the BBC that the Corporation is

acting in accordance with the facts and assurances upon which the approval was given. The review will include an independent assessment.

4. That the BBC must deliver the format as proposed for each service and meet all the commitments set out in the information from the BBC. The fact that some aspects of the format and commitments to which the Secretary of State attaches particular importance form the subject of express conditions in Part 2 of this Schedule does not prejudice the more general effect of this condition in relation to the services concerned.
5. That the BBC shall draw up and publish a plan for promoting digital television and radio services by the end of 2001 and shall commit to and undertake a vigorous and continuing campaign to promote the uptake of digital TV and radio services and equipment generally.
6. That each service shall stimulate, support and reflect the diversity of cultural activity in the UK within the defined scope of the service.

Television services

7. That consideration be given to promoting the understanding and enjoyment of each of the new television services by viewers with sensory impairments; and that the BBC Governors should monitor the levels of subtitling, signing and audio description provided on each new service, and apply to those levels from time to time the same targets which they apply from time to time to existing BBC digital channels.
8. That a proportion of programme production must be allocated to companies based outside London.

Radio services

9. That all new radio services shall be available on the same basis as other radio services via the internet and digital satellite.

PART III INDIVIDUAL SERVICE CONDITIONS

TELEVISION: BBC4

Decision: to approve subject to conditions

This is a distinctive, well-defined service intended to create a 'forum for debate' and aimed at 'anyone interested in culture, arts and ideas', which was well supported in consultation and will be freely available across all platforms. It addresses BBC's public service remit to inform, educate and entertain, providing mixed genre programming in an area where most competitors are niche channels. BBC4 will have a high level of new content and will represent the nations and regions. Within the wider audience these genres are expected to help drive digital take-up amongst an older age group which has been more resistant to digital take-up.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important to maximise the public value of this service by attracting and engaging the widest possible audience. The Secretary of State is imposing a condition about the use of interactivity which will help reach out to and stimulate viewers who might not otherwise seek out BBC4. It is equally important that BBC4 does not undermine programming on BBC1 and 2.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

2. The service must deliver culturally enriching and innovative programmes covering a broad mix of programme genres. These genres must include news, in particular, global news and current affairs, philosophy, science, history, art, performance, music and film.
3. around 70% of air time must be dedicated to originally produced or commissioned programming, including repeats of that content;
4. around 70% of output should be made in the EU/EEA;
5. this service must not be developed at the expense of music and arts programmes on BBC1 and BBC2.
6. Various forms of interactivity should be developed as part of the service.

TELEVISION: Children's - under 6 service

Decision: to approve subject to conditions

This is a distinctive, well-defined service aimed at children under 6 years old, which was well supported in the consultation process and will be freely available across all platforms. It will have a distinctive mix of education and entertainment without advertising. The increased audience on Choice after the introduction of a block of children's programmes indicated a positive response to this programming environment. The service will have a high level of new content of EU/EEA origin but with a level of repeats to reflect young children's interest. There are a significant number of existing children's channels, almost all of which largely show acquired programming. The addition of a further channel (given the BBC's existing presence in the children's market) is unlikely to have a major impact on the competitors. New BBC services will generally help drive digital take-up. Although homes with children are amongst the least resistant this service will assist take-up in remaining non-digital homes with children.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and maintains a strong educational strand. It is equally important that the service for children under 6 does not undermine programming on BBC1 and 2.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

2. The service must deliver a mixed schedule of programmes covering music and movement, storytelling, make-and-do, simple science, natural history and puzzle-programmes, as well as animation.
3. The service must have a strong educational and interactive strand throughout the day, including peak viewing hours; the interactive enhanced text service should be developed as the technology allows.
4. The service must maintain a higher level of educational programming than its competitors.
5. Around 90% of output must be made in the EU/EEA.
6. Around 80% of airtime must be directed to originally produced or commissioned programming.
7. This service must not be developed at the expense of programmes catering for this age group on BBC1 and 2.

TELEVISION: Children's - 6 to 13 year olds service

Decision: to approve subject to conditions

This is a well-defined service aimed at children aged 6 to 13 years, which was well supported in the consultation process and will be freely available across all platforms. The BBC proposal is for a mixed genre channel with a set of daily live news and magazine programmes at the core of its schedule, and with a new interactive capacity so that children can take part in online clubs and communities. Also free from adverts and with a high degree of new EU/EEA programming and a low repeat level, this service is distinctive. There are a significant number of existing children's channels, almost all of which largely show acquired programming but the addition of a further channel (given the BBC's existing presence in the children's market) is unlikely to have a major impact on the competitors. The service meets agreed priorities to encourage interactive and digital services and, although homes with children are amongst the least resistant, this service will assist take-up in remaining non-digital homes with children.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and that the same mix of programmes is available through the day so that acquired programming does not dominate peak viewing hours. This will help to minimise the impact on the market. It is equally important that the service for children aged 6-13 does not undermine programming on BBC1 and 2.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

2. The service must be a mixed schedule of news, drama, comedy, entertainment, and factual programmes throughout the day, including peak viewing hours; live programmes including news bulletins must be at the core of its schedule.
3. Online and interactive resources must support the service and shall be developed further as the technology allows.
4. There must be a similar balance of originated programmes and acquired programmes throughout the day including in peak viewing hours.
5. Around 75% output and investment must be made in the EU/EEA.
6. This service must not be developed at the expense of programmes catering for this age group on BBC 1 and 2.

RADIO: Network X

Decision: to approve subject to conditions

This is a distinctive, well-defined service aimed at a young specialist audience. This was well supported by the target audience but less so in the BBC's general consultation. There are commercial stations with a similar, but not the same, format and this service would fit with the BBC's public purpose in its attempt to reach an under-served audience. Given the very modest digital audiences, no case has been made that this service will significantly damage commercial operators. Competitors could indeed benefit in the longer term from a growth in the potential audience if digital take-up is increased by the BBC's wider consumer offering.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is distinctive from competitors and maintains its focus on the less commonly covered aspects and the emphasis on the British cultural contribution.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

2. The service must play contemporary 'black music' aimed at a young audience, covering all the popular 'urban' music genres.
2. The service must maintain its distinctiveness by concentrating on new 'black music' and new artists within that genre by presenting a strong strand of live music; by not following trends in the mainstream top 40; and by maintaining around 20% speech content, including around 10% covering news, documentaries and social action programming.
3. As a national 'black music' station, this service must maintain its purpose of bringing together the diversity of 'black' music and culture across the UK.

RADIO: Network Y

Decision: to approve subject to conditions

This is a distinctive, well-defined service which was well supported in the BMRB survey. There are commercial stations with a similar, but not the same, format and this service would fit with the BBC's public purpose in its attempt to reach an under-served audience. It will provide additional value for licence fee payers through use of archive material. Given the very modest digital audiences, no case has been made that this service will significantly damage commercial operators. Competitors could indeed benefit in the longer term from a growth in the potential audience if digital take-up is increased by the BBC's wider consumer offering.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and maintains its focus on aspects that receive less coverage elsewhere including archive and live material.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

1. The service will offer popular music from the 1970s to 1990s.
2. In particular, the service must concentrate on major artists and material which do not receive much radio support elsewhere in the market place.
3. The service must have a strong strand of live music, as well as speech output through news, features and documentaries.

RADIO: Network Z

Decision: to approve subject to conditions

This is a distinctive, well-defined service which was well supported in the survey. It will compete with another broadcaster but will have a wider range of programming and could help increase the audience for both services if it is successful in driving digital take-up.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and maintains a wide range of programming enlarging the scope for Radio 4 listeners.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

1. The service must offer BBC speech programmes, both contemporary and archive, covering comedy, drama, stories, features and unabridged readings. Parts of the schedule will be devoted to programmes for children.
2. This service must not be developed at the expense of programming on Radio 4.

RADIO: Asian Network

Decision: to approve subject to conditions

This is a distinctive, well-defined service which will expand an existing regional service and which is already available to those with digital satellite receivers. It was not well supported in the general consultation though it did attract support from those describing themselves as of Asian origin. There are commercial stations with a similar, but not the same, format and this service would fit with the BBC's public purpose in its attempt to reach an under-served audience. A substantive case has not been made out that the additional service provided by the network will undermine the viability of existing commercial services.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and maintains the proportion of speech content.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

1. The service will offer, nationally, programmes both in English and a range of Asian languages, covering news, sport, current affairs, audience participation and a wide choice of music.
2. The service must deliver to the format set out in the BBC's application, in particular with speech content of around 50% including a strong focus on news and current affairs.
3. As a national service, this must address the needs and interests of a wide range of Asian communities within the UK.
4. The BBC should consider carefully the use of spectrum and, in particular, the desirability of making available any spare capacity when a national service for Asian listeners commences.

RADIO: Five Live Sports Plus

Decision: to approve subject to conditions

This is a distinctive, well-defined service, which will broadcast only when it can make better use of existing sports rights already obtained for BBC radio. It was not well supported in the general consultation. It will provide additional choice and value for licence fee payers and no substantive case has been made out that the additional service provided by the network will undermine the viability of existing commercial services.

Conditions have been included to reflect the BBC's intentions and to set out the scope of the service. It is important that the service is and continues to be, distinctive from competitors and maintains its role as an overflow service from existing BBC radio.

As approved with conditions the service will have high public value and distinctiveness proportionate to the likely impact on the market.

Conditions

1. The service will broadcast live sporting events which cannot be accommodated on BBC Radio Five Live. It will not be a full time network.*
2. In particular, the service must be used solely as an overflow for rights that have been obtained for broadcasting on Radio Five Live and Radio 4 Long Wave and must not provide an additional outlet for which the BBC will bid against commercial broadcasters.

* Sports currently covered will include English Test Cricket (Test Match Special), Nationwide football, Open golf, the Scottish Premier League, Zurich Premiership Rugby Union, Formula One qualifying rounds and additional courts at Wimbledon.

RADIO: World Service

Decision: to approve

The extension of the World Service to the UK involves no significant extra cost and is fully in line with the BBC's public purpose. The service is already available in South East England and East Anglia and no case has been made out that extending this service will have an adverse impact on the market.