

# BBC RESPONSE TO “A NEW APPROACH TO PUBLIC SERVICE CONTENT IN THE DIGITAL MEDIA AGE”

## 1. Introduction and summary

1.1 The BBC welcomes this latest opportunity to engage again in the debate around the possible launch of a Public Service Publisher.

1.2 The idea has evolved since Ofcom first put it forward as a possible contribution to the public service media ecology. The focus is now away from supporting the continued provision of public service audiovisual content by broadcast and other means, and is firmly fixed on on-demand and interactive new media services provided through the internet.

1.3 Ofcom’s case for the PSP might be summarised as follows:

- that the **purposes** and **characteristics** identified in its review of public service television broadcasting remain relevant in the digital age and should be pursued on media other than broadcasting
- that while the general online market can provide content of public value, the market is likely to fall short in some areas – in particular in providing **plurality of public service supply** (alongside the BBC) and in the provision of **original UK content** which exploits the particular potential of new media – including interactivity and the scope for consumers themselves to become participants, contributors and content creators.
- that intervention is therefore justified, in the form of direct **public investment in the commissioning of content** by the Public Service Publisher

1.4 The BBC agrees with a number of the key underlying assumptions and assertions made by Ofcom in advancing the case for the Public Service Publisher. In particular:

- The BBC agrees that public value can and should be delivered through internet and other new media services. The public purposes and characteristics of public service broadcasting which have recently been codified, both by Ofcom and through the BBC’s own Royal Charter and Agreement, are in principle as applicable to new media services as to old. Indeed, in the Charter and Agreement no distinction is made between old and new media in placing on the BBC obligations to pursue its purposes with content which exhibits those characteristics. *All* services – whether broadcast, online or other – must be aimed at contributing to the pursuit of the purposes, and *all* content exhibit at least one of the characteristics.
- The BBC supports a plural market in the provision of high quality services and content in new media as in broadcasting. Just as new media services have the capacity to deliver public value, so is that value increased in a market where consumers can access a range of such services from a variety of providers. Even more than in broadcasting, public value can and

should be delivered by different types of providers, including public bodies and private, existing broadcasters and new media entrants.

- The BBC wants to see UK content creators, including private individual users of the internet themselves, playing a full role in contributing to the development of the worldwide web. This is a central focus of its own plans for the Web 2.0 world.

1.5 While the broad potential benefit perceived by Ofcom – the availability of quality content with public value from a range of providers, for the benefit of UK consumers and citizens – is a desirable end, the case for further regulatory intervention in the new media marketplace in pursuit of these ends must be rigorously tested, to establish, in particular:

- Whether the market is unlikely to deliver these particular benefits without further intervention.
- What is the particular need for intervention?
- What is the most appropriate type of intervention?
- What scale of intervention is proportionate to the need?
- Whether the intervention is likely in fact to be effective and provide good value for money.
- What means are there for ensuring accountability for any public financial investment?

1.6 The current consultation by Ofcom provides scope for debate around these points. However, in taking forward the debate it would be best if Ofcom could present a dispassionate analysis in terms such as these, rather than risk being positioned as the champion of a single solution. Only in this way can objective conclusions be arrived at which command widespread endorsement.

1.7 At first sight, there appear to be question marks over:

- Whether there is in fact a lack of plurality in the provision of quality UK content of public value.
- Whether a Public Service Publisher acting as a commissioner of content is the best targeted, most effective and most cost efficient way of addressing any shortfall.

More detailed analysis may therefore need to be demonstrated regarding what particular respects this marketplace might not deliver the plurality which Ofcom are looking for, and, having done so, in assessing whether the Public Service Publisher model is the right type of response and what alternative responses have been considered and rejected.

## **2. Delivering public value through the internet**

2.1 The BBC agrees with Ofcom that public value can and should be delivered through the internet. The worldwide web and other new media

platforms are huge resources with unprecedented potential to deliver information, entertainment and education to consumers and citizens, and to liberate and provide an outlet for their own creativity. It is right to look for public as well as private benefits to flow from them.

2.2 Public value in broadcasting is delivered through the pursuit of **public purposes** and by means of content which displays certain **characteristics**. These purposes and characteristics have been defined both by Ofcom and, specifically in relation to the BBC, in the Royal Charter and Agreement. They are set out for reference at Annex A.

2.3 The BBC agrees with Ofcom that these general purposes and characteristics remain relevant in the online world. The Service Licence for [bbc.co.uk](http://bbc.co.uk) (see Annex B for an account of its provisions) specifically requires the BBC to aim to pursue the purposes with online content which displays those characteristics.

### ***The purposes***

2.4 In the broadcasting world, the delivery of the public purposes is to a large extent self-limited by the capacity of the public service channels to carry a limited schedule of services. Public service broadcasters have to serve a wide audience, across each of the public purposes, through a broad range of genres, all within a limited space. The discipline drives a series of prioritisation decisions which produce the balanced schedule. Within the online world, where capacity constraints largely cease to be an issue, the only effective constraints are the imagination of the content creator and the available budget. If the creativity and funding is not to be dissipated, some sense of prioritisation may be required in relation to the purposes and characteristics of public service broadcasting, rather than simply aiming to meet them all with equal weight across the full range of online activity.

2.5 In the case of the BBC, its online services have grown relatively quickly and largely organically, embracing the whole gamut of the BBC's broad public service remit, as online itself as a medium has developed. In that context, its overall purpose and direction was not always as clear as it might have been. The right focus of such services will inevitably change over time. Following the Graf review of [bbc.co.uk](http://bbc.co.uk), for example, the remit of [bbc.co.uk](http://bbc.co.uk) was refocused to some extent on the *citizenship* (embracing such things as news, analysis and information, as well as media literacy) and *education* purposes.

2.6 Further refocusing will be required in future, as the Web 2.0 world emerges. For the BBC, the next stages of this development are (a) to provide effective means of online and other on-demand access to a broad range of audiovisual content (itself representing each of the public purposes), in particular the iPlayer, and (b) to deepen the relationship with those who use new media, to engage them and involve them in creating and shaping the content of services.

2.7 The BBC would therefore suggest that Ofcom be clearer at this stage about where it considers that (over the timescale which it envisages) any further public intervention might best be targeted to ensure best value. This might mean identifying which of the public purposes are priorities against the background of those purposes as a whole. Otherwise, the risk is that any such investment is dissipated in pursuit of too broad and equally-balanced a range of activities and objectives.

### ***The characteristics***

2.8 The BBC agrees that content intended to deliver public value online should deliver some of the same characteristics as public service broadcasting, as listed in Annex A.

2.9 The BBC also strongly agrees with the suggestion in Ofcom's discussion document, that there are additional public value characteristics which are particularly relevant to the online world. These include content which is *interactive, participatory* or *user generated*. Clearly, these additional characteristics are becoming key defining features of the Web 2.0 world. It is not easy to develop engaging new ways of involving consumers and citizens, but it is becoming the Holy Grail of most online players, including the BBC. High profile examples include YouTube, MySpace, Wikipedia and multiplayer online games using dedicated games platforms. As mentioned above, services with such characteristics are increasingly playing a central role in the BBC's own online strategy – including news blogs, the refocusing of the Action Network to engage people around particular issues, and a range of forthcoming plans for knowledge building and sharing – for example around the subject of climate change.

## **3. Plurality in the provision of content of public value**

3.1 A key part of Ofcom's case for the PSP rests on the need for plurality in public service content. Ofcom argues that it should not be left to the BBC alone to deliver such content, comparing the situation in the online market to that which existed in the television market, where it was thought necessary to create different types of public service broadcaster (successively, ITV, Channel 4, S4C and Five) to complement and compete with the BBC's services, to the ultimate benefit of the marketplace, the consumer and the citizen. In short, Ofcom seeks "effective competition for quality" against the BBC.

3.2 The BBC agrees that plurality for content with public value should be encouraged and supported on the internet as well as in broadcasting markets. However, Ofcom's assertion that there is a currently a shortfall in plurality appears to be based on the assumption that only a publicly-funded or publicly-subsidised body with an explicit remit to make or support online "public service content" will in fact do so.

3.3 In the old broadcasting market, the twin characteristics which drove the model of public intervention to deliver plurality of public service content were

(a) the high cost of producing and delivering high quality content, and (b) the scarcity of spectrum to deliver broadcasting services and the consequent advantages to those who had access to it. Plurality of public service content was therefore engineered through the creation and subsidy of new public and quasi-public broadcasters.

3.4 The situation in the online market is by no means analogous or readily comparable to the television market in the 1950s (when ITV franchises were awarded to provide the first competition for the BBC) or even at the creation of Channel 4 in the 1980s.

3.5 Arguably, there is not only greater plurality in the internet market today than there was in the broadcasting markets of the 1950s or early 1980s, but more plurality on the internet than in broadcasting in 2007. The lack of barriers to entry, relatively low costs of content production and distribution, and the global nature of the market, means that valuable content can be found from many thousands if not millions of sources. Consumers are becoming very savvy at finding what they want; and content aggregators such as portal operators appreciate the high value placed on engaging, high quality and original content, and are actively pulling it together and showcasing it.

3.6 In the new online world, therefore, plurality may increasingly be delivered through healthy competition for quality between existing public service content creators like the BBC and Channel 4, public sector bodies such as local authorities and education institutes, commercial players and others, not only from the UK but around the world.

3.7 Ofcom's documents highlight the diversity and rich offerings currently on offer, from a very wide range of bodies indeed – public, private, old media and new media, existing players and new entrants, UK as well as worldwide – each taking advantage of the low barriers to entry to present high quality content, or opportunities to create such content, which is valued by the citizens and consumers who access it.

3.8 The BBC, in delivering its Charter remit to pursue its purposes in the new media world, aims to do so in a distinctive way, but recognises that it does so within a diverse and plural marketplace.

3.9 In summary, therefore, a broader view might need to be taken in this new media world, than in the traditional broadcasting ecology. Rather than looking for "public service content" solely from traditionally-established or supported bodies with specific remits, it might be more appropriate to search out in addition, from among the vast pool of available online content, other content which exhibits "public value". Only in this way can a proper view be taken of whether there is any shortfall in plurality for content with such value, or whether the issue is more a question of ensuring that consumers are aware of and have easy access to the whole range of what is already available.

3.10 It is also perhaps counter-intuitive to suggest that the most appropriate form of further intervention in this market is to create a single, freestanding

public sector commissioning body. The BBC is active in the online world because it provides the best means of delivering aspects of the BBC's own public purposes and value to the licence fee payer. For example, a wider range of news, in more depth, can be delivered to a broader audience online than through television or radio news bulletins. But alongside seeing the web as an increasingly important way of itself delivering its own remit and so providing value to licence fee payers, the BBC believes that a general strength of the internet is the sheer diversity of content and its sources of supply, particularly that the Web 2.0 world is a collaborative one, in which everyone can potentially be a content creator. In this case, additional intervention by regulators should perhaps move away from the model of a single new public or quasi-public body acting as content commissioner, and more explicitly promote and support plural content creation, and wide public access to it.

#### **4. Original UK content**

4.1 So far, the BBC's submission has focussed on public value and plurality in the internet as a whole. The worldwide web is just that – content is provided and accessed from all over the world. Content can cross boundaries. Consumers may not even know the geographic origin of content they consume. Sites which rely on user generated content in particular can take on an international flavour where different cultures, communities and interests mix and where the origin or ownership of the original site or idea is virtually irrelevant. This is another fundamental difference between the new media world of today and the broadcasting model of the 1950s or even 2007.

4.2 The BBC does share, however, Ofcom's aim that the online world should be a place where high quality UK originated content should flourish and find an audience. The BBC itself has some role in supporting this, and seeks to do so in a number of ways, including:

- Aiming for high quality in its own online content, to provide a core of trusted quality UK content delivering public value and potentially a benchmark for others
- Syndicating such content to other portals to ensure the widest possible access to it.
- Innovating in ways in which purely commercial ventures might be wary of doing, trialling new techniques and thus potentially opening up new markets for others to exploit – for example Backstage, where the BBC makes its content freely available for others to experiment and innovate with.
- In particular (in line with a specific requirement of the [bbc.co.uk](http://bbc.co.uk) service licence), innovating in the exploitation of entertainment formats such as the Jamie Kane game or CDX, a mystery game concerning the Ancient Roman Empire.
- Inviting content creators to showcase their own content on dedicated BBC sites such as the BBC Film Showcase or Digital Storytelling.

- Directing users to the best of content with a public value from other providers – the remit for [bbc.co.uk](http://bbc.co.uk) requires the BBC to link to external sites which exhibit public value, and drive towards them users who might not otherwise find them.
- Encouraging active participation, allowing users to engage in a shared conversation with the BBC and each other – for example through blogs and message boards.
- Forming mutually-beneficial partnerships with others in the online space, such as Google and Flickr.
- Making material available in UK community languages other than English.
- Providing tools to improve accessibility to people with sensory, cognitive or motor impairment.
- Providing local sites such as Where I Live, delivering tailored material to local communities.
- Distributing elements of its online content to WAP or 3G mobile devices.
- Investing in the independent online production sector – a minimum 25% of its eligible content (by value), which means in practice that the BBC currently invests around £12m per annum in the independent sector.

4.3 Ofcom's documents provide many examples of high quality UK content with public value. In this context, the key questions appear to be (a) whether there is a *shortfall* in such content, or likelihood that there will be in future, (b) if so, what is the reason for the shortfall – including an investigation of any weaknesses in the value chain, and (c) what are the available policy responses to any such weaknesses.

4.4 On the face of it, it is not apparent that there is a lack of UK content of public value being created. A wide range of bodies are commissioning, funding and creating it – from central and local government bodies, through public sector bodies such as the Arts Council, public authorities such as the National Health Service, voluntary and community bodies, broadcasters, print publishers and non-media commercial companies.

4.5 If it is not easy to see a market shortfall in the *creation* of new UK content of public value, then other weaknesses might be perceived, including perhaps:

- The quality and level of innovation in the content, including whether it is delivering the particular characteristics which Ofcom rightly wants to see in online content (ie. interaction, participation and user generation) rather than just the characteristics of the old media world.
- The ability of content from such diverse and dissipated providers, commissioners and funders to cut through and be readily accessed by users in the vast online market.
- Lack of accessibility to particular groups, such as those for whom English is not their first language, or people with sensory or other impairments.

4.6 It would be helpful if Ofcom could define more precisely where it sees the potential weaknesses in UK online content. Having defined the problem in greater depth, it may be that a range of possible public policy responses present themselves, which might be measured against the Public Service Publisher idea to gauge their relative effectiveness.

4.7 For example, if the issue were one of ensuring high enough levels of quality and innovation across UK content generally, then possible alternative approaches in response might include

- Media literacy programmes to support UK public bodies which are using the web to deliver content of public value, to help them become intelligent commissioners who can get the best of out of the UK online production base and exploit emerging techniques of engaging more fully with users.
- Finding ways of promoting and showcasing the best UK content, to establish benchmarks for others.
- Helping UK content providers to commercialise their offerings in the UK and internationally.
- Encouraging existing grant-giving or commissioning bodies to see the new media world as a priority for investment and standard-raising.

4.8 If, on the other hand, it is determined that there is a problem in terms of the cut through of UK content, whether it is widely accessible and (in fact) accessed, then responses might include:

- Encouraging existing media players – whether broadcasters or print publishers – to fully exploit opportunities on the web. Existing media players have obvious advantages, in terms of brand recognition, public trust and ability to provide bridges between media which leads audiences to content they might not otherwise find. In some cases they have international brands which can generate consequently greater commercial returns for reinvestment in quality UK content. Ofcom suggest, on the other hand, that “old media” players like broadcasters might not be best equipped to exploit the creative possibilities of the new media world. However, even if this is currently the case, there is no reason why they should not develop this capability, in partnership with other content creators. More generally, it is not self-evident that establishing an online-focussed body such as the PSP is the best approach in a multimedia, converging world. The strengths of a multimedia approach to the new media world should not be overlooked.
- Media literacy initiatives which play a part in helping people find what they want on the web and use the available tools to exploit it to their own ends, including signposting to the best of UK content on the web.
- Partnerships between existing significant UK online providers, which provide greater scale and visibility.

- Targetted grants to help content providers adapt material or incorporate tools which make it more accessible to audiences who might not otherwise be able to use it.

4.9 It would also be helpful to take forward this consideration in the context of the Government's Creative Industries Programme, on which a Green Paper is expected shortly. One focus of that programme might usefully be around the role which existing audiovisual players can make in exploiting the economic possibilities of the web for the benefit of UK plc, alongside the purely public, social and citizen benefits of high quality online content.

## **5. Governance and accountability**

5.1 The new media world is vast and diverse but still in the early stages of development. Just as there have been extensive debates about how the BBC's own public service remit extends into this world, so should any proposal for further regulatory intervention be closely scrutinised to determine whether it will deliver the benefits wanted from it, within a continually healthy, diverse and vibrant mixed ecology.

5.2 The sections above have already considered the importance of closely defining the nature of the problem which the intervention is meant to address, selecting the most appropriate regulatory response (having considered a range of alternatives), and focussing that response where it is most needed.

5.3 In general, the framework for any such intervention will need to be rooted in a clear focus on the potential value to be delivered to users, rather than the interests of other stakeholders such as producers or media players themselves. So while producers in particular have played a valuable role in expressing the potential of the new media world, in taking the debate forward it will be important to address these questions principally from the point of view of users.

5.4 It will also be vital to consider the potential impact – both positive and negative – on the rest of the marketplace.

5.5 This balance of public value and market impact is of course at the heart of the new Public Value Test, which tests proposals for the launch of new BBC services or significant changes to existing ones. A similar analysis would be valuable in determining the appropriate regulatory approach to take in the new media world, helping to generate the rationale and criteria for action and any subsequent accountability framework against which the success of any intervention could be measured.

### PUBLIC SERVICE PURPOSES AND CHARACTERISTICS

<p><b>PSB purposes</b> (Ofcom PSTV review)</p> <ul style="list-style-type: none"> <li>• To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas</li> <li>• To stimulate our interest in and knowledge of the arts, science, history and other topics through content that is accessible and can encourage informal learning</li> <li>• To reflect and strengthen our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences</li> <li>• To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere</li> </ul>	<p><b>The BBC's Public Purposes</b></p> <ul style="list-style-type: none"> <li>• Sustaining citizenship and civic society</li> <li>• Promoting education and learning</li> <li>• Stimulating creativity and cultural excellence</li> <li>• Representing the UK, its nations, regions and communities</li> <li>• Bringing the UK to the world and the world to the UK</li> </ul>
<p><b>PSB characteristics</b></p> <ul style="list-style-type: none"> <li>• High quality – well funded and well produced</li> <li>• Original – new UK content, rather than repeats or acquisitions</li> <li>• Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones</li> <li>• Challenging – making viewers think</li> <li>• Engaging – remaining accessible and enjoyed by viewers</li> <li>• Widely available – if content is publicly funded, a large majority of citizens need to be given the chance to watch it</li> </ul>	<p><b>Characteristics of BBC content</b></p> <ul style="list-style-type: none"> <li>• High quality</li> <li>• Original</li> <li>• Innovative</li> <li>• Challenging</li> <li>• Engaging</li> <li>• <i>Section 12 of the Agreement obliges the BBC to ensure that its services are widely accessible in a range of ways and on different platforms</i></li> </ul>

### bbc.co.uk

#### The remit, scope and objectives of bbc.co.uk

The draft Service Licence for bbc.co.uk says that that BBC's online services exist to serve the BBC's public purposes, by:

- Providing innovative and distinctive online content
- Providing distinctive propositions that reflect and extend the range of the BBC's broadcast services
- Enabling the BBC to develop a deeper relationship with licence fee payers
- Acting as a starting point on the internet, and a trusted guide to websites from other providers which have high public value, and which they might not otherwise have accessed.

The service should, at all times, balance the potential for creating public value against the risk of negative market impact.

The Service Licence makes it explicit that the service should exhibit some or all of the characteristics of public service content set out in section 14 of the BBC Agreement:

- original
- high quality
- challenging
- innovative
- engaging

The performance measurement framework for the service includes measures for assessing the success of the BBC in achieving the last four of these characteristics, as well as measures of the contribution of the service towards the BBC's overall reach and the value for money of the service in terms of its cost per user reached.

The Service Licence says that, while the service should contribute to *all* of the BBC's public purposes, ie:

- sustaining citizenship and civic society
- promoting education and learning
- stimulating creativity and cultural excellence
- representing the UK, its nations, regions and communities
- bringing the UK to the world and the world to the UK
- helping to deliver to the public the benefit of emerging communications technology and services

More detail about the ways in which the draft Service Licence says that the service should contribute to these purposes is given in Part II, which is attached at Annex B. Priority should be given to the *citizenship* and *educational* purposes.

As part of the delivery of the cultural and creative purpose, the service is required to commission a minimum 25% of its eligible content (by value) from external producers. This currently means in practice that the BBC invests around **£12m** per annum in the independent sector.

### **The type of content on bbc.co.uk**

The Service Licence says that the propositions comprised by the service should include, among other things:

- text and pictures
- live and on-demand audio-visual streams
- downloadable applications and content.

The service should specifically include:

- material which the BBC creates as a natural consequence of television or radio production
- material which combines the BBC's major broadcast initiatives and output with published, interactive and user-generated content, to form cross-media propositions
- content based directly on original television and radio programmes
- context for programmes
- tools, such as navigation
- entertainment content which is innovative and distinctive, and originated specifically for the internet
- a comprehensive service of impartial, accurate and independent news and analysis covering UK and international events
- content that creates educational value for schools, children, parents and teachers
- material to support lifelong learning amongst adults
- a safe online environment for interest-based or geographic communities.
- opportunities for users to generate their own content, particularly material which creates democratic, educational, social and community value
- material which encourages internet adoption through digital media literacy projects
- opportunities for feedback from licence fee payers
- dialogue between the BBC and its audiences
- on-demand access to BBC television and radio
- access to parts of the BBC archive for creative usage