

Gaelic Digital Service:
Public Value Assessment

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I. Executive summary

I.1 Introduction

- I.1.1 In April 2007, the BBC Executive applied to the BBC Trust to launch a new tri-media proposition for the delivery of Gaelic services including a new linear television service. The BBC Trust considers the BBC Executive's proposed linear television service to be a new service (under the Charter and Agreement) and has, accordingly, subjected it to a Public Value Test (PVT).
- I.1.2 The BBC Trust Unit is the independent unit that supports and assists the BBC Trust. Analysis has been carried out by the BBC Trust Unit so as to assist the BBC Trust in undertaking this Public Value Assessment (PVA). This document sets out the BBC Trust's conclusions on the public value of the Gaelic proposals (the Gaelic Digital Service or GDS), together with accompanying rationale and analysis. Ofcom's conclusions on the market impact of the Gaelic proposals are published separately.
- I.1.3 This document is not the Trust's final decision on the Public Value Test. The next stage in the process is for the Trust to consider the PVA and Market Impact Assessment (MIA) and publish its provisional conclusions on the PVT. Following these provisional conclusions the Trust will consult publicly before reaching final conclusions.

I.2 The Service proposals

- I.2.1 The proposal is to launch a dedicated digital TV channel in Gaelic – on-air for up to seven hours per day (concentrated in, but not confined to, late afternoons and evenings). This would comprise 1.5 hours per day of originated programming (including existing output from the BBC), narrative repeats and archive content. The service will also draw on BBC Radio nan Gàidheal as a sustaining service when the TV channel is off-air. There would also be significantly enhanced Gaelic content for users of bbc.co.uk.
- I.2.2 The service aims to “make available a wide range of content relevant to today's audience” defined in the Executive application as “Gaelic speakers, learners and those with an interest in the language and culture.” The service description sets out the Executive's view that the service should be expected to “reach nearly 10 per cent of the Scottish population.”
- I.2.3 The service would be mixed-genre – including the daily news and weather in Gaelic.
- I.2.4 It would be available, in the first instance, on satellite and broadband (limited catch up only on iPlayer and some additional content hosted by the BBC or its proposed partner, the Gaelic Media Service) and on digital cable later in 2008. Distribution on digital terrestrial television would be in Scotland only

and would come with digital switchover. The main areas of coverage would switch in 2010.

- I.2.5 Following completion of digital switchover, and full implementation of the distribution plans for the service, it is proposed that the existing regular Gaelic zones on BBC Two would be withdrawn. Although a change to the BBC Two Scotland Service Licence, the Trust does not believe a separate PVT needs to be carried out on this change, as it will be considered alongside the wider Gaelic Digital Service proposition.
- I.2.6 The service would operate under a licence issued by the BBC Trust and would be expected to comply with all relevant requirements of the BBC Charter and Agreement.
- I.2.7 The service would operate under a legal agreement between the BBC and Gaelic Media Service (GMS) and would be managed jointly by both parties. A joint board, while exercising no executive duties, would appoint the head of the service and would oversee matters such as the commissioning strategy and a rolling two-year service plan. The day-to-day management of the service would be undertaken by a management team comprising staff nominated by both the BBC and GMS. The BBC would be ultimately responsible and accountable for editorial control.

1.3 Our Approach

- I.3.1 The Public Value Assessment has been undertaken in accordance with the *Guidance on the conduct of the Public Value Test* published by the BBC Trust (available in full at bbc.co.uk/bbctrust).
- I.3.2 Given the nature of the Gaelic proposal, both Ofcom and the Trust initially planned a relatively short consultation on the PVA and MIA respectively. However, a number of issues requiring further analysis were raised in both the PVA and MIA resulting in an extension of the timetable. The PVT will still be completed within the six month timeframe specified by the Charter and Agreement.
- I.3.3 As an initial stage of analysis, we consider whether a proposal fits with the BBC's public purposes. It is a prerequisite of any approval that a proposed service should further the public purposes in some way. The public purposes are:
 - sustaining citizenship and civil society;
 - promoting education and learning;
 - stimulating creativity and cultural excellence;
 - reflecting the UK's nations, regions and communities;
 - bringing the UK to the world and the world to the UK;

- in promoting the above purposes, delivering to the public the benefit of emerging communications technologies and services (the digital purpose).
- I.3.4 As well as considering how the proposal ties in with the public purposes, we assess the proposal in relation to four key drivers of public value:
- Quality and distinctiveness
 - Impact
 - Reach
 - Cost and value for money
- I.3.5 In this PVA we have started by looking at the strategic objective the BBC is trying to achieve. The proposal is for a service intended to have a greater impact on existing Gaelic speakers and a wider value to learners and the wider population of Scotland. Therefore, we have taken impact as the key issue for our assessment. However, the Trust has taken a consistent view in all PVTs that public value will never be realised if a service does not reach its intended audience. The other drivers are important, but we have treated them here as having a secondary weight.
- I.3.6 In coming to its conclusions on the public value of the proposals the BBC Trust drew on a wide range of evidence. This included:
- evidence submitted by the BBC Executive;
 - additional research commissioned by the Trust (The Trust Unit's report drawing on this research is included in Annex 2)
 - analysis undertaken by the BBC Trust Unit; and
 - consultation responses from the general public and stakeholders (a high level summary of all consultation responses is included in Annex 3; a list of stakeholders and full text of their responses is included in Annex 4)
- I.3.7 This evidence is referred to and summarised throughout this PVA report.

1.4 Summary of findings

Summary of findings

Our overall conclusion is that the service proposals could deliver public value. However, the evidence presently before the Trust is not sufficient for the Trust to conclude that the level of likely public value would be sufficient to justify the level of investment proposed.

The Trust wishes to see greater evidence that the proposed service would create public value by supporting the future of the Gaelic language and offering wider value to the audience in Scotland. In particular, the Trust needs to see more developed strategies for commissioning of programming, education and marketing of the service.

If this evidence can be provided, it is the BBC Trust's view that this would demonstrate a level of likely public value that would justify the level of investment proposed. This would provide an overall assessment that the proposals provide sufficient public value for the Trust to consider approving the service. On the basis that the Trust is provided with the evidence to reach this conclusion, then certain conditions are recommended in this PVA to safeguard the likely public value in the proposals put forward by the BBC Executive and to strive for even more public value. These conditions, as outlined in section 7, deal only with public value. Conditions to mitigate any adverse market impact, if any, will be addressed in the MIA. The Trust will make a final decision on the Public Value Test taking into account both documents.

1.5 Any new service must offer sufficient public value for the Trust to approve it

- 1.5.1 The Trust finds itself placed in a different position within this PVA compared to previous PVAs. We believe we have seen outlined a vision for the GDS within the service description that could, taken as a whole, offer considerable public value and be a service the Trust would wish to approve. We are also sensitive to the fact that there is a partner involved in this service with its own statutory remit to fulfil. Nevertheless, this is the first occasion on which the Trust cannot at this stage reach a view on the evidence before it that would enable it to approve the service as proposed either with or without conditions.
- 1.5.2 We have seen evidence that suggests the service would be of good quality and provide an enhanced service to existing Gaelic speakers and therefore contribute to some degree to the BBC's public purposes. However, the evidence we have seen so far is not of sufficient detail or quality to support the conclusion that the proposals from the BBC Executive would generate sufficient public value or reach the claimed audience of 5-10 per cent of the population of Scotland.

- I.5.3 The service would also come at a considerable cost in terms of cost per user of the service if limited to just existing speakers. This is a highly relevant consideration at a time when the BBC is making considerable efficiencies elsewhere in order to fund new investments.
 - I.5.4 In the Trust's view, the BBC is already providing significant public value for the Gaelic speaking community with its existing provision via radio, the internet and limited TV content. The incremental public value created by the benefits we have seen evidence for, whilst laudable, would not seem to justify further investment, particularly when set against the counterfactual that some form of Gaelic television channel would be launched by GMS.
 - I.5.5 It is the Trust's view that when dealing with such a small target audience, the increased expenditure cannot be justified if all the service achieves is to provide better coverage for that existing audience. To create the necessary public value needed to justify the increased spend, the service must drive some increased take-up of the service among current non-users. More specifically, in this case the Trust would expect the service to contribute to the long-term survival of the Gaelic language with a clear strategy for education and learning, and promote the service to a wider audience in Scotland.
 - I.5.6 If the service is able to target existing speakers, and retain them, as well as recruit new speakers and learners, the incremental spend would appear to be justified. If the service is unable to attract a wider audience beyond existing speakers then the value of the proposition would seem to be insufficient.
- I.6 Plans to date do not fully validate the BBC Executive's claims of the public value of the service
- I.6.1 Therefore, for the Trust to be able to approve the service, we would expect to see convincing evidence that the BBC's involvement would add value beyond its financial contribution. Due emphasis would be given to the other, currently unsubstantiated, aspects of the service description – namely that as well as supporting existing speakers there is a clear strategy to sustain the language by attracting new speakers and enhancing value for a wider audience.
 - I.6.2 We propose that the BBC Executive be asked to provide this evidence no later than the close of any public consultation period for the PVT.
 - I.6.3 We would anticipate that the Executive is considering producing this material in any event given that the legal agreement between GMS and the BBC commits them to production of commissioning and marketing plans by 31 December 2007.
 - I.6.4 However, for the sake of clarity, if sufficient evidence were not forthcoming to the Trust then the public value demonstrated would be insufficient to

justify the investment in the service and it is likely that the Trust would have to decline the Executive's application.

1.7 The additional information needed for the Trust to consider approval of the service

1.7.1 The challenge to the Executive can be summarised in two key points:

- The Trust is not convinced that the proposal for the service places enough emphasis on the role of the service in attracting new speakers to the Gaelic language. In particular, we have not seen sufficient evidence as to how the educational strategy – which we regard as key to the public value of the service – will be delivered.
- Although we can see that a few programmes could appeal more widely to an audience beyond Gaelic speakers, we have seen very little evidence of a convincing plan for appealing to a wider audience in Scotland – certainly not one that would justify the projected reach of the service.

1.7.2 Given the issues we have noted about the cost of the service we would expect the Executive to reshape its proposals inside the proposed budget for the service put forward in their application.

1.7.3 Key supporting documents would be:

- The commissioning strategy for the GDS
- The marketing strategy for the GDS

1.7.4 In particular the Trust would like the Executive to consider how far the BBC can sensibly leverage from its other public services to the GDS.

1.7.5 The Executive's original application refers to educational material being delivered with a range of partners. We would like to understand how those arrangements would work and the state of their development.

1.7.6 The Trust is also concerned as to whether the service is being distributed in the most effective and efficient way possible. This includes the issues of (a) whether broadband would represent a better medium for delivery, and (b) whether the withdrawal of the BBC Two Gaelic zone and transmission on DTT is the best option for maximising the reach (and therefore impact) of the service and (c) whether the online experience for users will be a high quality one. However, we consider that these challenges can be met by potential licence conditions and other recommendations which are discussed below. This is an area where we would welcome further clarification and thought from the Executive at this stage.

1.8 Recommended requirements and suggested conditions in the event the Trust approves the service

- 1.8.1 If this evidence is forthcoming from the BBC Executive, the Trust could be prepared to approve the service. In such circumstances we believe that the following requirements would have to be met before any such launch of the service in order to enhance and protect public value:
- The BBC and GMS must have agreed plans to ensure that the user experience when accessing online material held by GMS and the BBC will be a consistent, seamless and high quality one.
 - In light of recent speculation about availability of slots on the Sky EPG, there must be confirmation that a Sky EPG listing can be obtained.
 - The BBC Executive must provide fuller details of how the financial and accountability controls for the partnership will function, including how the concerns noted in this report about the management structure can be addressed. We would expect to see a report from BBC internal audit giving a clear opinion on the financial and risk management arrangements. In addition, the Controller of Fair Trading must confirm that the proposals for training of independent production companies meet with the BBC's fair trading guidelines.
 - Clear evidence of how commissioning strategy will minimise the partnership risk created by the joint venture – for example will the partners commission certain genres (other than news) rather than both commissioning all genres? How will the process for commissioning from the independent sector be clear and transparent?
- 1.8.2 As outlined in this document we have set out a number of recommendations regarding public value and protecting licence fee payers. These are set out in section 7.
- 1.8.3 The case for a linear TV channel remains debatable, although we note the strong commitment of GMS, and the BBC Executive, to this. The Trust has two concerns. First, in line with wider BBC strategy and given the necessarily limited range of content available on the GDS, broadband may offer a better delivery platform.
- 1.8.4 Second, the Trust will pay particularly close attention to the launch of the service on DTT. On the one hand if a television service is being made available the Trust considers it should be made as widely available as possible. On the other hand DTT accounts for most of the cost of distribution of the service. The switch to DTT is also the point at which it is proposed that the opt-out on BBC Two would end – where there are possible concerns that reach could be adversely affected.

- I.8.5 Most of Scotland does not switch until 2010. In the absence of reliable evidence, and given that space on the DTT would not be immediately available anyway, we would therefore suggest that in the event the service is licensed, launch on DTT should await a review by the Trust in 2010¹. However, the 2010 review will allow the Trust to take account of experience gained from the channel being available on satellite and cable alongside the existing opt-out on BBC Two and also to monitor what progress has been made with broadband penetration particularly in the Highlands area. We will also authorise the future removal of the opt-out from BBC Two now, but again subject to review.
- I.8.6 As a result of this review of evidence we would envisage a decision to either launch the service on DTT or to consider options for other more effective and efficient forms of delivery. We would also expect the Executive to be considering such options even in the absence of a review by the Trust. The Trust would envisage any such review involving Ofcom and GMS as key partners and take into account the strategic aims of GMS and the BBC.
- I.8.7 The BBC-GMS collaboration agreement sets out each party's funding commitments and details exit arrangements. If any service licence were to be revoked or expire without renewal, the agreement terminates immediately. Any renewal will be subject to approval by the Trust and it will be at the discretion of the Trust to apply a further PVT if necessary although with the review in 2010 of delivery options this may not be necessary.
- I.8.8 Finally, the service licence would only be valid whilst agreed funding is provided by GMS.

¹ The review will take place before digital switchover in STV North and Central.

2. Approach to assessment

2.1 Introduction

- 2.1.1 This document is the Public Value Assessment in the BBC Trust's Public Value Test (PVT) of the BBC Executive's proposal to launch a Gaelic Digital Service, in partnership with the Gaelic Media Service.
- 2.1.2 The BBC Trust received the Executive's proposal in July 2007 and launched the PVT on 16 August 2007.
- 2.1.3 In this section we explain the PVT process and the approach taken in this Public Value Assessment (PVA).

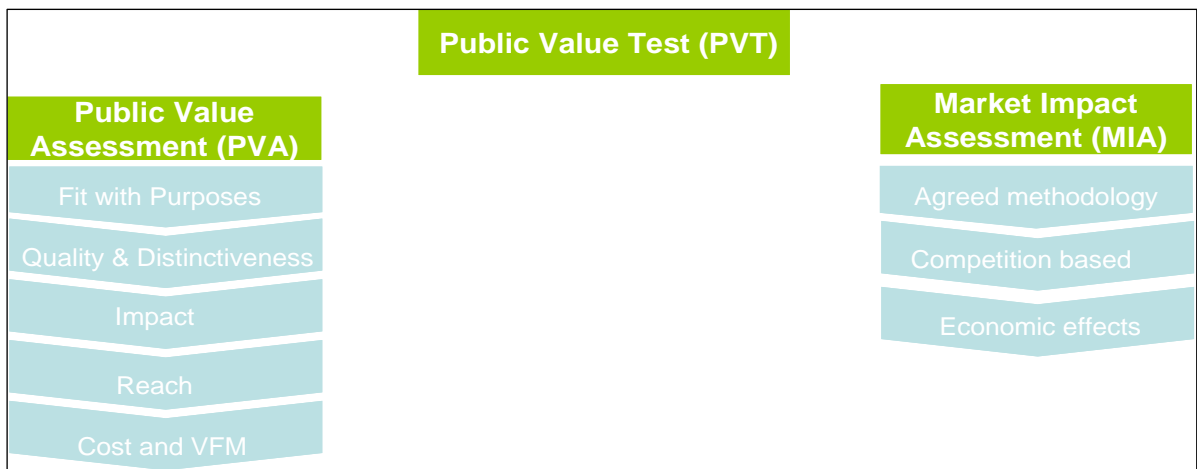
2.2 The PVT process

- 2.2.1 The Public Value Test is a key component of the BBC's new system of governance, which took effect with the new Charter and Agreement on 1 January 2007.
- 2.2.2 The Charter makes clear that the BBC should be able to alter its UK public services – for example to respond to changes in technology, culture, market conditions and public expectations. However, any significant service-related proposals for change from the BBC Executive, including proposed new services, must be subject to full and proper scrutiny. The means by which this scrutiny takes place prior to approval is the PVT.
- 2.2.3 As one element of the proposal is a new television channel, the Trust considers the proposed service to be a significant change to the UK Public Services and has, accordingly, subjected it to a PVT.
- 2.2.4 There are two components to the Public Value Test:
 - the PVA, which assesses the public value expected to be created by a service (see section 2.3 below); and
 - the Market Impact Assessment (MIA), which assesses whether the proposal is likely to impact on existing public value created in the wider market, or create new areas of public value not currently created in the wider market. The MIA is carried out by Ofcom in accordance with the methodology agreed between Ofcom and the Trust, through the Joint Steering Group (described in 2.6.3). The MIA report will be available at Ofcom's website (ofcom.org.uk).
- 2.2.5 This document is the report of the Public Value Assessment of the Gaelic Digital Service. The Trust will consider this alongside the Market Impact

Assessment by Ofcom.

- 2.2.6 In order to conclude that the proposed change should be made, granting approval either with or without conditions, the BBC Trust must be satisfied that any likely adverse impact on the market is justified by the likely public value of the proposed change. It also must be satisfied that approval would be consistent with the BBC Trust's duties including those under Articles 22 and 23 of the Charter and its other legal duties. The Trust will publish its provisional conclusions on its website (bbc.co.uk/bbctrust) and will consult on them before making its final decision.

Diagrammatical representation of the PVT



- 2.2.7 The Trust is conducting this PVT in accordance with the *Guidance on the conduct of the Public Value Test* published on the BBC Trust's website.²
- 2.2.8 An additional element of the process for this PVT is that, as the proposal involves a new service, the Secretary of State for Culture, Media and Sport would have to formally notify the Trust that he does not intend to exercise a Procedural Veto, as set out in the Charter and Agreement, prior to launch. The Gaelic Digital Service would be part funded by means other than the licence fee, and as such must also comply with the Statement of Policy on the use of alternative finance approved by the Secretary of State and the Trust. If this is not already in place then the agreement of the Secretary of State will be required.

² http://www.bbc.co.uk/bbctrust/framework/public_value_test/

2.3 Approach to the Public Value Assessment

- 2.3.1 The purpose of the PVA is to ascertain the likely public value of the proposed new service.
- 2.3.2 As a general approach, public value is primarily assessed over a five-year period; it is invidious to forecast beyond that time given the increasing uncertainty, in scale and scope, of factors that could potentially affect the public value of any proposed service. However, in order to recognise the full value of a proposed service, factors beyond this period may need to be taken into account.
- 2.3.3 As an initial stage of analysis, we consider whether a proposal fits with the BBC's public purposes. It is a prerequisite of any approval that a proposed service should further the public purposes in some way. The public purposes are:
- sustaining citizenship and civil society;
 - promoting education and learning;
 - stimulating creativity and cultural excellence;
 - reflecting the UK's nations, regions and communities;
 - bringing the UK to the world and the world to the UK;
 - in promoting the above purposes, delivering to the public the benefit of emerging communications technologies and services (the digital purpose).
- 2.3.4 As well as considering how the proposal ties in with the public purposes, we assess the proposal in relation to four key drivers of public value:
- Quality and distinctiveness
 - Impact
 - Reach
 - Cost and value for money

2.3.5 The following table sets out the overall assessment framework.

Fit with public purposes and the drivers of Public Value

Fit with purposes	Quality & distinctiveness	Impact	Reach	Cost & value for money
Which public purposes does the proposal address and how does it fit with the BBC's strategy?	Is the proposal of high quality and distinctive?	Will the proposal create consumer and citizen benefit (i.e. for individuals and/or society as a whole)?	How far will the proposal extend the BBC's reach and usage, in this instance particularly for under-served audiences?	How much will the proposal cost to deliver and will it provide value for money?

2.3.6 The relative importance of these factors will vary across different services. Our overall assessment in each case is weighted by the significance of each driver for the service in question.

2.3.7 The following table summarises the weight attached to the four drivers of public value for this PVA.

Weight of drivers of public value

Impact	Quality & distinctiveness	Reach	Cost & value for money
Impact on different target audiences is clearly of key importance in this PVA.	Very important but low weighting. Quality and Distinctiveness are minimum requirements for all BBC services. Providing this 'minimum' is met the driver is attributed a lower weighting in the overall evaluation.	The proposal is not going to be a high reach service in the foreseeable future. However, to have a real impact it must reach its target audience.	The value for money of the service relative to other minority language provision will be important, although there may be a number of other aspects to consider. Cost is also a major issue at a time of increased efficiency for the BBC.

- 2.3.8 In assessing this PVA the Trust has started by looking at the strategic objective the BBC is trying to achieve. The proposal is for a service intended to have an increased impact on existing Gaelic speakers and a wider value to learners and the wider population of Scotland. Therefore we have taken impact as the key issue. However, the Trust has taken a consistent view in all PVTs that public value will never be realised if a service does not reach its intended audience. Therefore we also treat reach as a key issue. The other drivers are important here, but we have treated them as having a secondary weight, although any new service approved must show value for money.

2.4 Our approach to this assessment

- 2.4.1 On receipt of the BBC Executive's application, the BBC Trust and Ofcom jointly drafted a description of the proposed service, which we agreed with the Executive. This clarified our understanding of the facts of the proposal that we were being asked to assess. The service description was published at the start of the PVT process and we draw upon it in section 3 of this PVA report, which describes the service proposition.
- 2.4.2 Given the nature of the Gaelic proposal, both Ofcom and the Trust initially planned a relatively short consultation on the PVA and MIA respectively. However, a number of issues requiring further analysis were raised in both the PVA and MIA resulting in an extension of the timetable. The PVT will still be completed within the six month timeframe specified by the Charter and Agreement.
- 2.4.3 On commencement of the assessment, we conducted a series of interviews with the BBC Executive's project team in which we tested the evidence supporting the proposal. Section 4 sets out our understanding of the further information provided to us in this part of the process.
- 2.4.4 We then analysed the evidence in terms of the strategic context for the proposal and the extent to which it would support the BBC's public purposes. This assessment was informed by our analysis of the likely reach, quality, impact and value for money of the proposed service. The assessment is provided in section 5 of this document.
- 2.4.5 We also considered the counterfactual: what would happen if the proposed BBC service were not provided? Our analysis of this question is presented in section 6.
- 2.4.6 The conclusions and recommendations of the PVA are presented in section 7.

2.5 Sources of evidence

- 2.5.1 In coming to our assessment of public value we drew on evidence from a

variety of sources.

- 2.5.2 From the BBC Executive – In April 2007, the BBC Executive provided the BBC Trust with a service proposal for the Gaelic Digital Service and terms of reference for its proposed evidence in support of that proposal. Following approval of the Terms of Reference, the BBC Executive gathered the appropriate evidence specified and formally submitted it with its application in July 2007.
- 2.5.3 In its application and supporting documents, the BBC Executive provided evidence on the public value created by the proposition, an initial market impact assessment, the results of a Scotland-wide survey and the results of a series of deliberative workshops.
- 2.5.4 From the general public and industry – We sought representations from the general public and industry in relation to public value. The Trust received 21 responses from industry and organisation stakeholders and 135 responses from members of the public. These responses have been used to inform the PVA. A high level summary of all consultation responses is included in Annex 3, a list of stakeholders and the full text of their responses is included in Annex 4. In addition to considering written responses, we conducted a series of meetings with stakeholders to gain further insight as to their views on the proposal.
- 2.5.5 From our own analysis – Following a preliminary assessment of the evidence submitted by the BBC Executive, we used our interviews with the BBC Executive’s project team to scrutinise the evidence base and historical context, test the underlying assumptions and assertions and request further evidence as appropriate. The BBC’s partner, the Gaelic Media Service (GMS), was also represented at some of these interviews.
- 2.5.6 From additional research commissioned by the Trust Unit – a survey of 806 adults aged 15+ across the UK with boost samples in each of the nations. Interviewing was carried out face to face in respondents' homes. Survey data is weighted to be representative of the UK as a whole in terms of age, sex and social grade.

2.6 Sharing information with Ofcom

- 2.6.1 Throughout this process, the BBC Trust and Ofcom discussed what was being assessed during the parallel market impact and public value assessments, while always being aware of the different roles each was performing.
- 2.6.2 Information was shared between Ofcom and the Trust and vice versa, except where submitted in confidence or where otherwise overtly commercially sensitive, in order to ensure that the PVA and MIA were conducted on the same factual basis.

- 2.6.3 It should be noted that the Framework Agreement specifically established the joint BBC Trust/Ofcom group (the Joint Steering Group) to ensure that the MIA is conducted in a manner appropriate to the PVT and to a suitable schedule.
- 2.6.4 The BBC Trust's conclusions on this PVA have been developed independently, without the input of Ofcom.

3. The service proposition

3.1 Summary

- 3.1.1 Prior to the launch of the PVT process, the BBC Trust and Ofcom worked together to produce a service description, which was then published as part of the public consultation. This summary draws primarily from this description, as well as from the further work since carried out.
- 3.1.2 The BBC Executive and GMS have concluded a collaboration agreement to provide the Gaelic Digital Service – drawing on content from the BBC and a variety of other providers.
- 3.1.3 The proposal is to launch a dedicated digital TV channel in Gaelic – on-air for up to seven hours per day (concentrated in, but not confined to, late afternoons and evenings). This would comprise 1.5 hours per day of originated programming (including existing output from the BBC), narrative repeats and archive content. The service will also draw on BBC Radio nan Gàidheal as a sustaining service when the TV channel is off-air. There would also be significantly enhanced Gaelic content for users of bbc.co.uk.
- 3.1.4 The service would be mixed-genre – including the daily news and weather in Gaelic.
- 3.1.5 At least half of the programme fund contributed by GMS will be spent in the independent sector. The BBC Executive and GMS originally stated that, in due course, up to 50 per cent of non-news and current affairs programmes on the TV channel would come from independent producers, subject to a sufficiently developed independent Gaelic production base. They have subsequently clarified that this should in fact read ‘at least 50 per cent’ rather than ‘up to’. The content supply strategy will be formulated after further negotiation with key stakeholders.
- 3.1.6 Subject to the completion of this PVT in early 2008 and BBC Trust approval, it is expected that the service would launch before the end of March 2008.
- 3.1.7 It would be available, in the first instance, on satellite and broadband³ and on digital cable later in 2008. Distribution on digital terrestrial television would be in Scotland only and would come with digital switchover.
- 3.1.8 Following completion of digital switchover, and full implementation of the

³ It has subsequently been clarified that the channel will not be offered in whole via broadband. The broadband offer will be on-demand (via iPlayer) only on the BBC website as part of BBC Scotland’s 10 hours per week allocation, and possibly some complementary ‘catch-up content’ on the GMS website.

distribution plans for the service, it is proposed that the existing regular Gaelic zones on BBC Two would be withdrawn. Although a change to the BBC Two Scotland Service Licence, the Trust does not believe a separate PVT needs to be carried out on this change (or consider any presumption arises requiring this), as it will be considered alongside the wider Gaelic Digital Service proposition.

- 3.1.9 The BBC and GMS would continue to provide programming to the Gaelic digital channel Tele-G for the duration of Tele-G's licence (which currently runs until 2010).
- 3.1.10 The service would be licensed and regulated by the BBC Trust, and would be subject also to Ofcom regulation to the same extent as any other BBC service.
- 3.1.11 The BBC proposes to manage the service jointly with GMS, although ultimate responsibility for editorial standards would rest with the Director-General of the BBC who is accountable to the BBC Trust.

3.2 Platforms

- 3.2.1 The Gaelic Digital Service would be a multi-media service comprising television, radio and internet content.
- 3.2.2 It would be available free at the point of use, and without advertising, on all relevant digital platforms on completion of digital switchover.
- 3.2.3 Although the primary purpose of the service would be to meet the needs of Gaelic speakers in Scotland, it would be available on some platforms beyond Scotland.
- 3.2.4 The channel would be provided from launch on satellite throughout the UK, the Isle of Man, Guernsey and Jersey. The channel would be transmitted unencrypted on satellite, so it would be available free and without subscription through 'Freesat from Sky' as well as through 'PSB Freesat'.
- 3.2.5 At launch, the TV service would also be offered throughout the same territories on broadband, where available.⁴
- 3.2.6 In addition, a limited amount of TV and radio programmes will be offered for catch-up viewing on-demand after broadcast via BBC iPlayer⁵ on bbc.co.uk.
- 3.2.7 Distribution throughout the UK, the Isle of Man, Guernsey and Jersey on

⁴ As previously clarified, the service will not be offered via broadband in whole.

⁵ BBC Scotland has been allocated 10 hours per week of content on iPlayer, some of which may be allocated to Gaelic content.

digital cable, where available, would follow later in 2008.

- 3.2.8 On digital terrestrial television, the service would be provided only in Scotland. It would be available as digital switchover progresses region-by-region – beginning in 2008 and scheduled for completion in 2011.
- 3.2.9 In principle, the BBC Executive is prepared to make the service available to other providers, subject to syndication agreements in line with the Trust's syndication policy, which could potentially include a catch-up service via cable.

3.3 Content

- 3.3.1 The proposal aims to make available a wide range of content relevant to today's audience. A broader range of genres would be available than has been the case to date for television programming in Gaelic. This includes:
- Daily news and weather on weekdays;
 - Sports programming;
 - Live events;
 - Daily programmes for children;
 - Content for teenage and young adult audiences;
 - Music and entertainment;
 - Factual programming;
 - Content to support people learning Gaelic;
 - An aspiration to provide some comedy and drama.
- 3.3.2 On average, 1.5 hours per day would be originated content. This would include the content produced for the weekly Gaelic zones on BBC Two as well as incremental new content. New content is defined as originated productions, news, and re-versioned content, such as animations, originally produced in another language.
- 3.3.3 The BBC and Gaelic Media Service share the ambition to increase the amount of originated content to an average of three hours per day over time, subject to additional funding being sourced.
- 3.3.4 As proposed, news content would be provided only by the BBC. The agenda would include original stories intended to address issues of specific interest to Gaelic speakers as well as re-versioned material from BBC Newsgathering addressing a Scotland-wide, UK or international mainstream news agenda, as editorially appropriate on the day. On occasion, news material originated for the Gaelic service may be included in bulletins on the BBC's English language services.
- 3.3.5 When the television service is not on-air, BBC Radio nan Gàidheal –

augmented with text content – may be drawn on as a sustaining service.

- 3.3.6 Learning resources would be provided both in programming content and in support and access services (such as opt-in subtitles in English and Gaelic⁶) and, as at present, content online to support Gaelic learning.
- 3.3.7 The internet part of the service would aim to build on the existing bbc.co.uk/scotland/alba site. It would include on-demand access to the programmes broadcast on the television and radio channels as well as new opportunities for audience participation.
- 3.3.8 The GDS would be available on satellite and broadband across the UK, the Isle of Man, Guernsey and Jersey from launch in 2008, cable would follow later in 2008, with DTT in Scotland provided region-by-region post-switchover (starting 2008 and scheduled to finish in 2011).

3.4 Schedule

- 3.4.1 The television element of the service would be on-air for up to seven hours per day, seven days a week, concentrated in, but not confined to, late afternoons and evenings during the week, with weekend scheduling depending on the nature of the content and the target audience.
- 3.4.2 The TV schedule would include narrative repeats and material drawn from the archive. Narrative repeats are programmes that would be shown several times for catch-up viewing in the period immediately after initial transmission. Archive programmes are those drawn from the store of Gaelic programmes already transmitted by the BBC or other broadcasters, or held by other libraries and archive holders.
- 3.4.3 The whole schedule would be built of repeatable blocks – i.e. a sequence of programmes lasting up to two hours may be re-transmitted later in the same evening, week or month to increase opportunities to view.
- 3.4.4 BBC Scotland's existing schedule of Gaelic programmes on BBC Two would continue to be available through the period of digital switchover and would be simulcast on the Gaelic Digital Service. These programmes include a daily 30-minute offering of pre-school age programmes and a weekly two-hour Gaelic zone on Thursdays between 6pm and 8pm. These programmes would be offered as narrative repeats on the Gaelic Digital Service after the initial terrestrial transmission and simulcast, and would be made available on-demand via BBC iPlayer in line with other service content. On completion of

⁶ There is currently a question mark over whether on DTT only it is possible to carry both English and Gaelic subtitles.

digital switchover, the regular scheduled Gaelic zones on BBC Two terrestrial would cease, though landmark programmes may be offered to other BBC networks.

3.4.5 An illustrative schedule for the television channel is provided below.

BBC/GMS Gaelic Digital Service

Illustrative schedule

	Mon	Tues	Wed	Thu	Fri	Sat	Sun
4pm	Children's					Young Zone	Religion
5pm	Lifestyle					RnG	RnG
	News						
6pm	Sport / Factual	Learning / Music / Comedy	Music / Factual	Simulcast	Arts / Archive		
7pm	Lifestyle			Simulcast	Lifestyle	Sport	Religion
	News						
8pm	Sport / Factual	Learning / Music / Comedy	Music / Factual	Lifestyle	Ents / Sport	Sport	Ents / Sport
9pm				Simulcast repeat			
10pm	Lifestyle				Simulcast repeat	Lifestyle	News Review

3.5 Funding and management

3.5.1 The Gaelic Digital Service would be the BBC's first UK public service to be funded substantially by a party external to the BBC.

3.5.2 According to the information submitted by the BBC Executive and GMS, and further to our consideration of the costs of the service, the revised cost

figures are £24.8m per annum⁷ – of which £10.1m would be contributed by Gaelic Media Service and £14.7m would be contributed by the BBC. This includes £7.2m spent by the BBC on providing existing Gaelic TV, radio and online services. Of the £7.5m new BBC contribution, £2.5m would be new incremental cash expenditure and just over £5m would be allocated distribution costs. Radio nan Gàidheal content would be made available for scheduling on the digital service, and is included in the cost figures above.

- 3.5.3 The service would benefit from a contribution of programming and promotions from Scottish Media Group (SMG) – to the value of £1.2m over the three years from 2006. This is in return for a proposed reduction in the amount of Gaelic programmes that SMG is required to broadcast in peak-time by virtue of its Ofcom licence. GMS has also purchased SMG's archive of Gaelic programmes, which will be available to the new channel.
- 3.5.4 The service would operate under a licence issued by the BBC Trust and would be expected to comply with all relevant requirements of the BBC Charter and Agreement. The BBC would be ultimately responsible and accountable for editorial control.
- 3.5.5 The service would operate under a legal agreement between the BBC and GMS and would be managed jointly by both parties. A joint board, while exercising no executive duties, would appoint the head of the service and would oversee matters such as the commissioning strategy and a rolling two-year project plan. The day-to-day management of the service would be undertaken by a management team comprising staff nominated by both the BBC and GMS.
- 3.5.6 The service would be subject to regulation by Ofcom to the same extent as any other BBC service.

3.6 Reach

- 3.6.1 Reach means the likely usage of the service by its target audiences. The BBC Executive has not submitted a detailed forecast for the reach of the service.
- 3.6.2 The service can be expected to appeal mainly to Gaelic speakers and people who understand Gaelic – who, on 2001 Census data, number approximately 92,000 or circa two per cent of the Scottish population.
- 3.6.3 The BBC Executive provides research⁸ that suggests the service will achieve

⁷ As the GDS will not be distributed on DTT immediately from launch, the initial annual cost will be £20.8m, rising to £24.8m in the event of DTT launch

⁸ Research by Lèirsinn with a panel of Gaelic speakers.

an increase in weekly reach among the target audience of speakers and potential speakers. Currently, Radio nan Gàidheal has 67 per cent reach⁹, and Gaelic programmes on BBC television have 60 per cent reach, giving a combined all BBC Gaelic TV and Radio nan Gàidheal reach figure of 82 per cent.

- 3.6.4 The BBC Executive further predicts that the service might reach¹⁰ nearly 10 per cent of the Scottish population. This is based on recent research findings¹¹ that the service might be accessed by the three per cent of Scots who learn Gaelic, the 19 per cent who claim they might find some personal value in the service, and the 10 per cent who say they might watch it even though they expect it to provide no personal value to them. The Executive estimate that depending on their level of interest each of these groups will contribute something to the overall level of 10 per cent reach.

⁹ These are annual reach figures.

¹⁰ This is a weekly reach figure. The BBC Executive has stated that this full reach figure is not obtainable until the GDS is available on all platforms, including DTT.

¹¹ TNS System 3 survey undertaken for the BBC Executive.

4. The BBC Executive's strategy for Gaelic

4.1 Introduction

- 4.1.1 The BBC Executive's strategy for minority languages, including Gaelic, forms part of the delivery of the BBC's Public Purposes considered in Section 5 and is therefore important in assessing the public value of the proposal.
- 4.1.2 In order to provide context for understanding the BBC Executive's strategy, we first provide a brief description of the position of Gaelic in Scotland and public policy towards the language. Then we outline the further evidence presented to us by the Executive and our challenges regarding how the current Gaelic proposal fits the Executive's strategy for minority language provision.

4.2 The position of Gaelic in Scotland

- 4.2.1 Gaelic has been one of the languages of Scotland since at least 400 or 500 AD. It is a Celtic language, distinct from the Germanic family of languages of which English and Scots are examples. Although it originated in Ireland, and the two are mutually comprehensible, Scottish Gaelic has been differentiated from Irish Gaelic for many centuries. It is one of Europe's oldest surviving languages.
- 4.2.2 Gaelic was spoken widely across Scotland in the middle ages. Gaelic was the language of the clan-based Highland culture which was dismantled following the Battle of Culloden in 1746. Decline since then was hastened by a range of factors including emigration, educational policy and the increasing dominance of English through the spread of mass media in the twentieth century. Over 200,000 speakers remained in 1900 but numbers subsequently declined sharply during the twentieth century.
- 4.2.3 The 2001 Census recorded 58,652 people with all-round ability in the language.¹² Rather more than this can understand the language in some form – as set out in the table below:

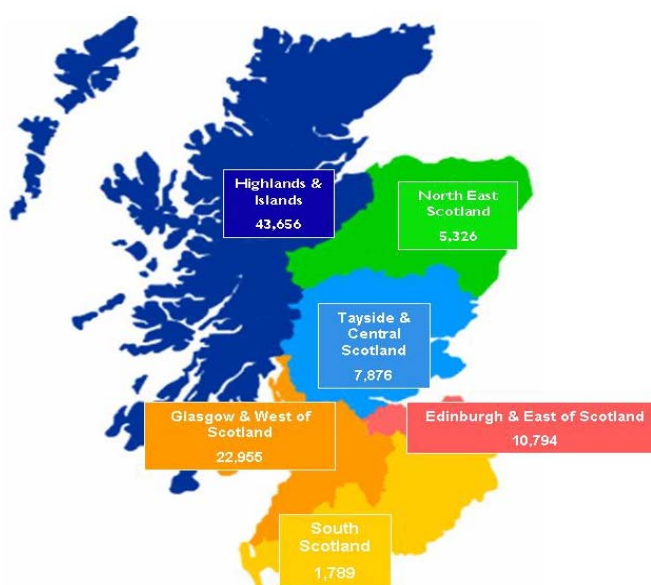
¹² Statistics on Gaelic penetration are sourced from 2001 Census data cited in the UK's Second Periodical Report under the European Charter for Regional or Minority Languages, July 2005.

Gaelic comprehension in Scotland, 2001

Level of Gaelic comprehension	Number at June 2001	% of Scottish population
Speaks Gaelic	58,652	1.15%
Understands but doesn't speak	33,744	0.66%
Total with some Gaelic ability	92,396	1.81%

- 4.2.4 Gaelic speakers are represented throughout Scotland, but are concentrated mainly in the Highlands and Islands – see diagram below.

Distribution of Gaelic speakers in Scotland, 2001



- 4.2.5 A concerted public policy movement for Gaelic has been under way for the past 25 years, inspired in part by the successful revival of Welsh. Initiatives include the Gaelic playgroup movement, the spread of Gaelic-medium education, and the Fèis movement which has spawned a revival of Celtic music.
- 4.2.6 However, the nature of the data makes it hard to be clear about the long-term trend for the language. The number of all-ability speakers in 2001 was

lower than the comparable group recorded in 1991. However, there was a small increase in the numbers in the younger age groups. In addition, there has been considerably increased interest in the language in the past decade, noted in stakeholder evidence. If these developments were sustained, the numbers of speakers could increase in the medium term.

4.3 The public policy context

- 4.3.1 Scottish Gaelic has been subject to the specific provisions made in Part III of the Council of Europe's Charter for Regional or Minority Languages since the UK Government ratified the Charter in 2001. The provisions of Part II of the Charter apply to all of the UK's regional or minority languages. In respect of Scottish Gaelic, Irish Gaelic and Welsh there are additional provisions made in Part III of the Charter to promote the use of these languages. The Scottish Government, through the UK's undertakings in relation to Gaelic, is committed to applying a range of measures in the areas of education, court proceedings, local administration, culture and media among others to promote the use of Gaelic.
- 4.3.2 A Gaelic Task Force set up by the Scottish Executive in 1999 (the Macpherson committee) recommended the establishment of a national development agency for Gaelic. As a response to this the Gaelic Language (Scotland) Act 2005 passed by the Scottish Parliament established Bòrd na Gàidhlig as a national agency responsible for the preservation of Gaelic as an official language.
- 4.3.3 The Act recognised Gaelic as an official language of Scotland, giving it secure status which enshrined it in law for the first time. It required the creation of a National Plan for the language and provided for the preparation of individual Gaelic plans by certain public bodies. Bòrd na Gàidhlig has set targets for the re-growth of the language, aiming for instance to record 100,000 speakers in Scotland by 2041.
- 4.3.4 Educational provision is expanding, although Gaelic is not a compulsory subject in Scottish schools. Those who speak and learn the language do so from choice. In addition to the pre-school playgroup movement, the first all-Gaelic school opened in Glasgow in 1999. Gaelic-medium units (streams or sets in a school in which children are taught through the medium of the Gaelic language) have been established in communities in the Lowlands such as Condorrat in North Lanarkshire and Kilmarnock in Ayrshire.
- 4.3.5 Bòrd na Gàidhlig has been charged with identifying up to ten public bodies each year to produce Gaelic plans. Their website currently lists six organisations preparing plans (The Scottish Executive, Scottish Parliament, Highlands and Islands Enterprise, The Highland Council, Argyll and Bute Council and Comhairle nan Eilean Siar).

- 4.3.6 A Gaelic Television Fund of £9.5m was set up by the Secretary of State for Scotland in 1989, with the funding administered by a Gaelic Television Committee to provide up to 200 hours of Gaelic television in addition to the 100 hours then currently being transmitted.
- 4.3.7 Under the Communications Act 2003 the Gaelic Television Committee became the Gaelic Media Service (Serbheis nam Meadhanan Gàidhlig or GMS). The Act established that “The functions of the Service shall be to secure that a wide and diverse range of high quality programmes in Gaelic are broadcast or otherwise transmitted so as to be available to persons in Scotland.”
- 4.3.8 As set out in the Communications Act 2003, it is able to carry out these functions through:
- “the making of programmes in Gaelic with a view to those programmes being broadcast or otherwise transmitted so as to be available to persons in Scotland”
 - “the provision of training for persons employed, or to be employed, in connection with the making of programmes in Gaelic to be so broadcast or otherwise transmitted”
 - “research into the types of programmes in Gaelic that members of the Gaelic-speaking community would like to be broadcast or otherwise transmitted”
- 4.3.9 GMS has identified as one of its objectives the establishment of a dedicated Gaelic television channel.
- 4.3.10 During the Charter Review process for the BBC, the Government indicated that it regarded the BBC as having “a crucial role to play in safeguarding Gaelic cultural heritage,”¹³ and expressed the desire to “see a better deal for Gaelic – perhaps including a dedicated channel,” stating its expectation that the BBC would have a key role to play in such an initiative.¹⁴ In its White Paper, the Government said it welcomed “the discussions taking place with the Gaelic Media Service and others about the joint provision of future services which would help support policies to promote the place of the Gaelic language in society.”¹⁵
- 4.3.11 The BBC Agreement, which came into effect on 1 January 2007, sets out an expectation of minority language provision with reference to the BBC’s public

¹³ *A public service for all: the BBC in the digital age* - Department for Culture, Media and Sport, March 2006

¹⁴ *Review of the BBC’s Royal Charter: a strong BBC, independent of government* – Department for Culture, Media and Sport, March 2005

¹⁵ *A public service for all: the BBC in the digital age* - Department for Culture, Media and Sport, March 2006

purpose of representing the UK, its nations, regions and communities. The BBC Agreement states the BBC Trust must “seek to ensure that the BBC reflects and strengthens cultural identities... [and] promotes awareness of different cultures and alternative viewpoints, through content that reflects the lives of different people and different communities within the UK.” It further states that in fulfilling this responsibility, the BBC Trust “must have regard, amongst other things to... the importance of appropriate provision in minority languages.”¹⁶

- 4.3.12 The BBC Trust’s draft purpose remit¹⁷, *Representing the UK, its nations, regions and communities*, contains a priority reflecting this requirement which particularly focuses on provision for the UK’s indigenous languages. It notes the value which minority language speakers place on the BBC’s commitments in this area and states that “continuing and strengthening support from the BBC is crucial in safeguarding this key aspect of the UK’s indigenous cultural heritage.”
- 4.3.13 In stakeholder evidence for this PVA, both Bòrd na Gàidhlig and GMS expressed the view that the establishment of a Gaelic television service is regarded as a very significant component in the basket of measures being taken to support and nurture Gaelic. The Scottish Government considered acquisition, usage, status and corpus as four key requirements for language renewal, and expressed the belief that a television service would contribute strongly in all four of these areas.
- 4.3.14 A key cause of language decline is the process by which successive generations of speakers abandon it in favour of another language – a process described as language shift. The overriding priority for Gaelic is to reverse the language shift (RLS) to English which reduced speakers from 200,000 to little over 60,000 during the course of the last century. Policy makers in Scotland aim to emulate the experience of Welsh, which has revived in recent decades in the context of a basket of measures aimed at reversing language shift; it is possible that a television channel (S4C in the case of Wales) played a role in this success.
- 4.3.15 A leading researcher in language sociology, Professor Kenneth MacKinnon¹⁸

¹⁶ BBC Agreement, Clause 9.

¹⁷ The Trust’s draft purpose remits have been published and consulted on and will be approved later this year taking account of consultation responses. Given the draft purpose remit provisionally sets out the Trust’s view, it is appropriate to take account of it in this assessment.

¹⁸ Visiting Professor and Emeritus Reader in the Sociology of Language at the University of Hertfordshire, quoted in *Reversing Language Shift: Celtic Languages Today* (paper to 12th International Congress of Celtic Studies, University of Wales, 2003).

has concluded that “co-ordinated policies in education, the media and public life have been the bases of the successful achievement of RLS in Wales... this has important lessons for language planning in other cases”. We consider that the public policy context described above, and the objective of reverse language shift, provides important guidance in evaluating the public value of the current proposal.

- 4.3.16 It is clear that there is a good deal of institutional commitment to supporting Gaelic, and an expectation, as set out in the Charter and Agreement, that the BBC should play some role in this by virtue of its obligations in respect of its Purpose Remits, to provide “appropriate provision in minority languages”. The Trust’s draft purpose remit *Representing the UK, its nations, regions and communities*¹⁹ meanwhile notes that the BBC should support the UK’s indigenous minority languages. The idea of a channel is, however, raised only as a possibility, not a firm commitment.

4.4 Broadcast provision for Gaelic

- 4.4.1 BBC Scotland has offered programming for its Gaelic speaking audiences, chiefly on radio, from the start of broadcasting in the 1920s.
- 4.4.2 BBC Radio Scotland was established in 1978 and Radio nan Eilean was established in 1979 as a local service for the Western Isles as one of a range of local opt-outs from Radio Scotland. Radio nan Eilean and Radio na Gàidhealtachd (a Gaelic opt-out of Radio Highland) merged in 1985 to form Radio nan Gàidheal.
- 4.4.3 Stakeholder evidence suggested that the network has made a contribution to slowing the decline of the language in a number of ways: connecting the various parts of the existing, geographically scattered language communities; restoring the confidence of the community in the language and culture; making spoken Gaelic accessible to every home in Scotland; and supporting the creation of a language corpus by developing vocabulary at a time of significant political and social development for Scotland and the Highlands & Islands area.
- 4.4.4 In the 1990s, BBC Gaelic television output was gathered into a Gaelic television zone on Thursday evenings on BBC Two to achieve a higher profile and offer greater accessibility for audiences, in line with BBC strategy at the time. The BBC Executive points out that, in addition to serving the core audience, it has developed output which is capable of attracting non-Gaelic

¹⁹ Available on the Trust’s website at www.bbc.co.uk/bbctrust/

speakers. Examples of such output are the current affairs series *Eòrpa* and the recent *Tìr is Teanga* on the Gaelic names of Scotland's mountains. Other achievements cited by the Executive are the drama *Gruth is Uachdar* (rebroadcast on BBC Four) and the creation of contemporary Gaelic comedy *Ran Dan*. The range of genres is limited by the amount of airtime available, and there is no TV news service.

- 4.4.5 A significant proportion of BBC Gaelic television output has been funded by the Gaelic Broadcasting Committee and its successor, the Gaelic Media Service, since the early 1990s.
- 4.4.6 The BBC Gaelic website (bbc.co.uk/alba) aims to provide material appealing to a wide range of audiences from language learning to resources on the Gaelic song tradition.

Current broadcast provision for Gaelic

Service	Hours and genres
BBC Radio nan Gàidheal	2,930 hours (2006/07) including news and current affairs, documentary, discussion, topical feature, children's and sport.
BBC television	196 hours (2006/07) including programming funded by the Gaelic Media Service – including documentary, entertainment, current affairs and children's.
bbc.co.uk/alba	Provides web support for BBC broadcasts, with an emphasis on interactive sites for school age children. There is a limited news service. bbc.co.uk/alba recorded 200,000 page impressions in September 2007.
SMG	SMG provides 32.5 hours per year on ITV SMG's Gaelic archive (1,000 hrs approx.) was purchased by the Gaelic Media Service in March 2007.
Tele G	Transmits on Freeview (for a statutory 30 minutes per day but sometimes up to one hour a day) programming previously shown on BBC and SMG, funded by GMS.
Commercial radio	Music and speech broadcasts, typically of two to four hours duration per week, are provided by community stations in the north and west.

- 4.4.7 Obligations on the commercial sector to provide Gaelic television expire at the end of the current licence periods. This could leave the BBC as the sole television broadcaster with a commitment to supply.

4.4.8 To summarise the broadcast environment as a whole:

- BBC Radio nan Gàidheal offers a comprehensive speech and music service, complemented for some areas in the north and west by broadcasts on community stations.
- bbc.co.uk/alba offers high quality content but is limited in extent with an emphasis on programme support and interactive material for younger users.
- Gaelic television is limited in extent and fragmented between channels.
- There is no news service on television and a limited presence on bbc.co.uk/alba.
- The overall provision is therefore fairly limited in scale but of good quality.

4.5 The place of Gaelic in the BBC's minority language provision

4.5.1 We asked the BBC Executive's project team to describe how the proposed model fits with the BBC's broader approach to minority language provision. In particular, we wanted to know what the BBC Executive's strategy is for all minority languages and whether criteria were being applied to ensure provision was proportionate to the number of speakers of each language.

4.5.2 The Executive replied that BBC strategy in relation to Gaelic has developed in response to the context of historical commitments and public policy objectives described above. There is no BBC co-ordinated strategy for indigenous languages other than to act on a case-by-case basis. Between March 2005 and March 2006 the BBC Executive worked with GMS, under the chairmanship of Professor Sir Neil MacCormick, to develop a proposal for Gaelic television.

4.5.3 The Trust's draft purpose remit *Representing the UK, its nations, regions and communities*²⁰ notes that the BBC should support the UK's indigenous minority languages, "such as Gaelic, Welsh, Irish and Ulster Scots". The BBC's provision for these languages is not currently proportional to their representation in the population. Although the minority languages share common characteristics, each exists in its own historical and contemporary context – with varying needs and relationships to the communities that use them. The BBC Executive takes account of the wider public policy framework, market provision, and other factors in deciding the appropriate provision for each language. So, for example, the volume of current provision

²⁰ Available on the Trust's website at www.bbc.co.uk/bbctrust/

for Gaelic (see table below) by the BBC is equivalent to one third of the volume of provision for Welsh, even though the number of Gaelic speakers is only about 12 per cent of the number of Welsh speakers.

Comparative BBC minority language provision, Scotland and Wales

	Scotland (Gaelic)	Wales (Welsh)
Percentage of population with knowledge of the language (UK census 2001)	2%	28%
Number of people with knowledge of the language (UK census 2001)	92,396	797,717
Hours of BBC television output (2006/07)	196 ²¹	534
Hours of BBC radio output (2006/07)	2,930	8,164

- 4.5.4 In relation to the current proposal, the BBC Executive is seeking to form a partnership to increase provision for Gaelic on the basis that a partnership will maximise value for licence fee payers.
- 4.5.5 The BBC Executive has stated that the primary purpose of the GDS is to target existing Gaelic speakers, and in retaining this core audience to Gaelic programming, stabilise the language. A secondary purpose, which can only be focused on once the primary purpose has been achieved, is to attract new speakers and learners to the service.
- 4.5.6 To achieve the first of these purposes, the BBC Executive is proposing to target the service initially at existing speakers, the profile of whom it believes to broadly match that of Scotland and the UK as a whole in terms of age, sex, and socio-economic group. It believes that this group also includes lapsed speakers and unconfident speakers, who may be younger than the current core audience for Gaelic services. Due to the limitations of the service in terms of time on air and budget there will be limited orientation to non-speakers, though it cites programmes such as *Eòrpa* and *Tir is Teanga* as being able to appeal to a broader audience including non-speakers.
- 4.5.7 The BBC Trust’s draft public purpose remit *Representing the UK, its nations, regions and communities* commits the BBC to support the UK’s indigenous minority languages, such as Gaelic and Welsh, and to provide output where appropriate in other languages used by licence payers, such as Urdu or Arabic.

²¹ The figure of 196 hours includes 35 funded by the BBC and the remainder funded by GMS.

4.6 Distribution

- 4.6.1 While the current proposal draws together radio, online and television propositions into a tri-media offering, the bulk of the new investment would be used to create and distribute a new, dedicated television channel in Gaelic. This is in the context of a media environment in which TV remains important.
- 4.6.2 However, there is a developing shift towards on-demand consumption. The BBC is itself responding to these trends with an increasing emphasis on on-demand provision. The BBC iPlayer was launched earlier this year, offering TV catch-up over the internet, and many radio programmes are now offered as podcasts. The BBC is also forming partnerships with providers of audio and video online, such as YouTube, to lead people to BBC services with short-form audio-video content. The BBC Executive is forming a view that linear television is not the most appropriate platform to reach niche, local or specialist audiences, especially when the content proposition is limited. The BBC Executive has been working for some time on proposals for local TV services. These are now being conceived primarily as broadband propositions.
- 4.6.3 The Gaelic Digital Service is also a limited content proposition, aimed primarily at a relatively small audience. We questioned the Executive therefore on whether it was appropriate to launch a new linear television channel to meet the needs of existing Gaelic speakers and, more generally, whether the mix of media platforms envisaged for the service is appropriate to today's media environment and target audience.
- 4.6.4 We were told that the proposal is a response to the long-held aspiration of Gaelic speakers for a channel, and a public policy commitment stretching back to the Annan review of broadcasting in 1977. Of course, TV was the only visual broadcast medium available at that point in time. A channel had not been provided until now because of spectrum constraints, but the arrival of digital television is seen as a lessening of these. The Executive team regard the core Gaelic audience as being "unable to respond to" a largely online proposition. They also have doubts about whether the penetration and capability of broadband networks are sufficient to meet the needs of the audience in some areas of the Highlands, although during a stakeholder interview Highlands and Islands Enterprise told us that they believed 99.2 per cent of the Highland region²² was covered by high speed broadband access with take-up of between 40 and 45 per cent.

²² Note that this is a local authority region and does not include those areas of the Highlands and Islands 'off mainland'.

- 4.6.5 The Executive believes older speakers will access the service primarily through TV and radio. Younger speakers will mainly use TV and online content. Learners will predominantly access content via TV, as will non-speakers. Elsewhere in the evidence we obtained there were contradictions to this usage picture which we discuss in section 5. A wide variety of genres will be offered across all three platforms.

5. The BBC Trust's assessment

5.1 Introduction

- 5.1.1 The Trust tested the BBC Executive's proposal – the underlying evidence, assumptions and assertions – in a series of interviews with the Executive's project team. The Gaelic Media Service was also represented at many of these meetings.
- 5.1.2 This section provides the main part of our assessment. We consider how and to what extent the proposal supports the BBC's public purposes and our assessment of the likely reach, quality, impact and value for money of the service, set in the strategic context covered in the previous chapter.
- 5.1.3 The BBC Executive's application focuses on supporting citizenship through news and factual programming, promoting education and stimulating creativity. While the service should promote these purposes for the very small audiences it is expected to reach, we regard these as secondary contributions to the BBC's public purposes. Since the primary purpose of the service is to support the retention and recruitment of Gaelic speakers in Scotland, we consider its primary contribution is to support the BBC's public purpose of reflecting the UK's nations, regions and communities.
- 5.1.4 Below, we explore these primary and secondary contributions to the BBC's public purposes, after giving our view on the strategic context for the proposal.

5.2 Strategic context: Fit with the BBC Executive's strategy for minority languages and fit with the BBC Trust's criteria for minority languages

- 5.2.1 The BBC Executive's present strategy for minority provision is to approach each language on a case-by-case basis. We understand that work is ongoing in relation to minority language provision in Northern Ireland and that an overall strategy may follow. However as set out in the preceding chapter, the Executive is relying on the wider public policy landscape to help determine their priorities for the Gaelic language.
- 5.2.2 In the absence of an overall BBC Executive strategy we have focused on both the wider public policy landscape and the Trust's emerging view on minority language provision when evaluating this proposal's fit with wider BBC strategy.
- 5.2.3 The Trust would expect the Executive to develop a BBC-wide strategy for minority language provision in the future.

5.2.4 In a paper on *Appropriate Provision for Minority Indigenous Languages*²³, approved in August 2007, the BBC Trust identified five factors to be taken into account when assessing the appropriate level of provision for indigenous minority languages:

- The proportion of the population with knowledge of a particular language;
- the level of indigenous language content provided by the market as a whole;
- the legal and public policy context;
- the overall funding context; and
- the needs of those with knowledge of indigenous minority languages when balanced against the needs of licence payers generally in the relevant communities and the UK as a whole.

In the following sections we discuss the current proposal in relation to these criteria.

5.2.5 The table in section 4.5 shows that the BBC is already making a proportionately large provision for Gaelic speakers in relation to the proportion of the population with knowledge of the language. As the Audience Council Scotland²⁴ points out, “The BBC has played a pivotal role in sustaining Gaelic, fulfilling its duty as the UK’s leading public service broadcaster to promote and support indigenous languages, and this should continue.”

5.2.6 On a per capita basis, also, there would seem to be little justification for increasing the volume of output – and this is particularly so at a time when the BBC is reducing spending substantially across its portfolio of services. However, there are a number of factors as to why there could be public value in increasing the volume of output.

5.2.7 It could be argued, for example, that the extremely small number of Gaelic speakers in Scotland can itself be seen as reason to improve provision – i.e. the language requires greater support because it may lack critical mass. Bòrd na Gàidhlig believes that “Gaelic broadcasting has a vital role to play in sustaining and revitalising Gaelic language and culture. The Gaelic Digital

²³ This paper was produced with specific focus on the provision of minority languages in Northern Ireland, but the factors to consider are equally applicable to other indigenous minority languages.

²⁴ Detail on the roles of the Audience Councils for England, Northern Ireland, Scotland and Wales can be found on the BBC Trust’s website

Service will raise the profile of the language and will help unite the scattered Gaelic communities in Scotland, the UK and across the world.”

- 5.2.8 The proposed service is justified by the BBC Executive on the grounds that Gaelic is at the brink of decline beyond the point of being usable across a number of linguistic domains (work, home, etc.) and the proposed service could help stabilise the Gaelic speaking community and recruit new speakers.²⁵ However, the point is debatable. The Trust has seen no conclusive evidence that Gaelic is approaching, or beyond, the point of no return.
- 5.2.9 The current level of provision in the market would also seem to provide some justification as it is fragmented and difficult to access due to late night broadcast times. The current proposal aims not just to increase provision but to consolidate it in one place. The Trust finds this a reasonably compelling argument.
- 5.2.10 The impact of the partnership model in allowing the BBC to leverage existing resources needs to be considered in the context of the counterfactual. As we discuss in section 6, we consider it likely that GMS would launch a Gaelic television channel whether or not the BBC participates. The issue for this PVA is therefore whether the incremental investment of £2.5m cash and £5m allocation for distribution by the BBC creates sufficient public value which would not be otherwise created if GMS launched without the BBC.
- 5.2.11 Regarding the balance between the needs of those with knowledge of Gaelic and the needs of licence payers generally in Scotland, the Executive has presented evidence of public support for an intervention such as is proposed. A TNS System 3 omnibus survey conducted in April 2007 found that 69 per cent of respondents across Scotland agreed that it was important for Scotland to have a dedicated Gaelic-language service and 70 per cent agreed this was a service that the BBC should provide.
- 5.2.12 The research suggested that there is significant support for the cultural objective of providing a media service to help sustain the Gaelic language. The BBC Executive’s service proposal also suggests non-Gaelic speakers will gain directly in terms of improved news coverage of the Highlands and Islands, as well as benefits in other areas of programming. We consider that both the broad cultural objective and the direct programming benefits to non-Gaelic speakers are relevant in the balance between Gaelic speakers and licence payers more generally.
- 5.2.13 However, respondents to the questionnaire were not given alternative uses for the investment of creative and financial resources (e.g. an improved BBC One service for Scotland). We also have to bear in mind more generally that

²⁵ Evidence given to the Trust by the Controller of BBC Scotland in interview.

when dealing with both Executive and Trust research in this PVA, there is statistical risk created by the relatively small sample size.

- 5.2.14 Respondents to the BBC Trust’s public consultation were broadly supportive of the BBC playing some role in Gaelic broadcasting with over half of respondents believing the BBC should play either a leading or limited role while under one-third believe the BBC should play no role at all. The Trust also undertook audience research that suggested that around two-thirds of licence fee payers in Scotland thought the BBC should offer a service. Gaelic organisations agree: An Lòchran, for instance, believes that “the BBC has a crucial role to play in the provision of Gaelic content and services, and it has a history of commitment to Gaelic across a number of platforms.” The Audience Council Scotland also wrote to offer strong support.
- 5.2.15 Opinion in other parts of the consultation on the GDS proposal itself is less clear cut, with just over half of respondents believing it represents a desirable use of licence fee money and just under believing it does not. Support is slightly lower when cost is considered, with around four in ten respondents believing the proposal does not represent value for money; a similar but slightly lower number believe that it does. In the Trust’s survey work, around six in ten thought it was a proportionate use of money.
- 5.2.16 The case for the proposal could be improved, and the Trust given greater confidence, by the BBC Executive developing an over-arching strategy for indigenous languages rather than its current practice of looking for individual solutions for different languages. It would be able to demonstrate the fit of the current proposed investment against that strategy.
- 5.2.17 Nevertheless, in summary, the Trust believes the service proposal potentially meets the BBC Trust’s five criteria for the assessment of minority language provision, which we have identified as relevant to this PVA. We accept the argument that the endangered status of Gaelic provides strategic justification for increased investment in the language – but note the evidence about the relative decline of Gaelic in terms of whether it is “endangered” is in itself debatable. The fact is the number of Gaelic speakers has fallen over the past two decades and is now a relatively small mass. However, if supporting the future of the language is the case for intervention, it is essential that the service can make a significant impact in both retaining and, crucially in the case of a language that appears to be in decline, recruiting Gaelic speakers.
- 5.2.18 Public value for licence fee payers requires that this proposal generates sufficient public value. There is potential for the current proposal to generate sufficient public value if it can reach a wider audience. Determining the extent to which the service may meet these objectives is the heart of our public value assessment, which we explore in the remainder of this section.

The role of the service in supporting Gaelic

- 5.2.19 To inform our views on how a media service might support a minority language we sought advice from Dr Robert Dunbar, an expert on minority language policy at the University of Aberdeen.²⁶ According to Dr Dunbar, there is an academic consensus that broadcasting is an important part of the mix in policies to support the revival of minority languages, but there is very little research to indicate how or why this might be the case.
- 5.2.20 The experience in Wales and Catalonia has suggested an increase in the numbers able to speak or understand a minority language follows the provision of television channels supporting the language. In both Wales and Catalonia, the percentage of the population with some ability in the language was considerably higher than is the case for Gaelic in Scotland. But Dr Dunbar believes there is no particular “magic number” necessary for broadcasting to make an impact. He suggested the main incremental impact of the proposed service would be the constant availability of Gaelic language programming on television – enabling wider, longer and more regular exposure to the language. He believed there would also be positive impacts in terms of improved perceptions of the language and its place in Scottish society and culture.
- 5.2.21 Research evidence from a variety of sources suggests that the public agrees that Gaelic should be viewed as a valuable element in the wider Scottish heritage and culture. A survey undertaken earlier this year as part of Edinburgh’s Gaelic plan found that more than three-quarters (77 per cent) of families with children of primary school age in the capital thought Gaelic was important in Scottish culture and identity. In BBC Scotland’s cultural representation survey (2006), around half the population in most parts of Scotland agreed that Gaelic was a defining part of Scottish heritage.
- 5.2.22 Research conducted for the Trust²⁷ indicates that there is also considerable public support for the idea of a dedicated service in Gaelic. 75 per cent of Scots agree that it is important for Scotland to have a dedicated Gaelic service, and 63 per cent believe that the proposal (which was presented alongside its costs) represents a proportionate provision for a minority language. In the other nations of the UK, there are lower levels of agreement that Scotland should have a dedicated Gaelic service. In England 50 per cent

²⁶ Dr Robert Dunbar is Reader in Law and Celtic at the University of Aberdeen. He also sits on the board of the Gaelic Media Service, the BBC’s partner in the proposed service. He spoke to the Trust in an independent capacity in his role as an academic expert. His views were considered alongside those of a wide range of stakeholders.

²⁷ UK-wide survey on indigenous minority languages, October 2007.

thought it was important that Scotland should have a service but only 35 per cent thought the proposal represented the right level of provision. In Northern Ireland the figures were the same while in Wales people were more supportive with over half thinking the service was a good thing and a similar number saying the provision was at about the right level. The general attitudes reflected in the research were also captured in the views of Audience Councils Scotland, Wales and Northern Ireland, who commented positively about the proposition. In contrast, Audience Council England was unconvinced about the public value of the proposal.

	England	Northern Ireland	Scotland	Wales
Total number of respondents	416	103	185	102
	%	%	%	%
Important for Scotland to have a dedicated Gaelic service (any agree)	50	50	75	56
GDS is a service the BBC should be providing – agree (those who assigned a value of 6, 7, 8, 9, or 10 out of 10 to this question)	38	37	63	53
Proposed level of provision about the right amount (any agree)	35	35	63	50
Would not personally use at all	86	82	62	89

- 5.2.23 It is interesting to note that in Scotland, around a third of people could use the service in some way, which is high compared to a speaking population of circa two per cent. Of course we have to note that this does also mean around two thirds of respondents claim they will not use the service at all. Nevertheless, this would appear to support the claim that a larger audience, and therefore greater potential reach, is available for the GDS if it has strategies in place to attract it.
- 5.2.24 Young adults are also critical to the success of the GDS. According to Dr Dunbar, half of Gaelic speakers are aged 45 or older and are accustomed to using Gaelic in traditional contexts such as crofting, songs, etc. For the service to make a significant contribution to revival of the language, it must appeal to young adults – men and women, aged between 18 and early 30s,

who may have grown up with Gaelic, who are now living largely in urban areas and who are starting families and making decisions about whether to pass on the language to their children.

5.2.25 He said two groups in particular could be viewed as particularly important for the survival of the language: young adults (18-mid 30s) who already have some Gaelic, and the group of 'semi-speakers' identified in the 2001 Census (learners, reluctant speakers and those with only partial ability).

- Young adults 18-mid 30s This group will form relationships and families, raising children and making language decisions which will largely determine the future of Gaelic. They are more open to the new language domains being used than the older, traditional speakers.
- Semi-speakers The 2001 Census identified about 27,000 people who did not class themselves as speakers – learners, reluctant speakers and those with only partial ability in the language. Assisting them to expand their abilities in Gaelic and their confidence in using it could have a dramatic positive impact on the language.

5.2.26 He did, however, caution that there was no evidence that the Gaelic language was beyond the point of no return.

5.2.27 The importance of targeting young audiences is echoed by Bòrd na Gàidhlig, (the official Gaelic Language Board) which believes that “[a dedicated location for Gaelic programmes] will be particularly important to the growing youth market. The new service must engage with a young audience and providing a contemporary service for young people (14-25yrs) will be a major challenge for GMS and the BBC. Champions will need to be identified to engage with our youth market. New and innovative online challenges/competitions to encourage young Gaelic speakers to produce 5 minute online shorts or radio broadcasts should be investigated and exploited. Young Gaelic speakers require to be convinced of the economic benefits of acquiring and using Gaelic and the digital service will raise the profile of the language and provide increased opportunities for young Gaelic speakers in respect of training and employment. As parents of the future, a quality service that supports and enhances the language will encourage young people to choose Gaelic Medium Education for their children.”

5.3 What is the service's primary contribution to supporting the public purposes?

5.3.1 In essence, the Gaelic Digital Service would make the BBC's general offering to licence payers available, in microcosm, through the medium of Gaelic for the Gaelic language community. By reflecting the life of the Gaelic community to itself, the service would contribute to delivery of the BBC's purpose of

representing the UK's communities. A priority for delivering this purpose is supporting the UK's indigenous minority languages.

- 5.3.2 The crux of the public value assessment is whether reflecting the Gaelic speaking community to itself, through the medium of Gaelic, is sufficient justification for the service. The improvement in service – which we have seen ample evidence for and is discussed in more detail below – would undoubtedly have a greater impact on the existing Gaelic speaking community than current provision. The BBC Executive's application says: "the service is primarily targeted at a niche audience group, it is not restricted to that group". There may also be a pull effect of better provision that would interest some new speakers or attract "lapsed" speakers back to the language. However, against an estimated reach of over 80 per cent for current Gaelic services and a small population of speakers, there are relatively few individuals this is likely to impact upon.
- 5.3.3 It is, therefore, difficult to see how a simple improvement for one part of the community of speakers will either contribute significantly to the public policy aim of reversing decline of the language or giving it a wider appeal across Scotland thus creating the reach claimed in the Executive application. This is the essential contradiction in the Executive application – the desire to create wide reach and public value through wider consumption of content whilst appearing to concentrate primarily on existing speakers. To justify the investment, the service must make additional contributions to public value. These could come from a combination of some or all of the following factors:
- by helping to bring new speakers to Gaelic and therefore contribute in a meaningful way to the long-term survival of the language;
 - by creating value for a wider audience in Scotland through the GDS;
 - by contributing to the public value of other existing BBC services; and
 - by creating wider economic value in the broadcasting market (considered in Ofcom's Market Impact Assessment).
- 5.3.4 In the Trust's view the key additional contribution to the public value of the proposal is therefore particularly driven by its impact beyond the immediate existing Gaelic speaking community. The proposal could serve an educational and public policy objective – that of supporting and nurturing an endangered language indigenous to the UK.
- 5.3.5 These points are part of the original service description, which sets out that the service would "make available a wide range of content relevant to today's audience" defined in the Executive application as "Gaelic speakers, learners and those with an interest in the language and culture." The service description sets out the Executive's view that the service should be expected

to “reach nearly 10 per cent of the Scottish population.”²⁸ The survey data seen suggests that such potential reach may be available.

- 5.3.6 We now turn to the question of whether we have sufficient evidence to support the assertions in the service description and whether the aims of the application can be turned into a reality.

5.4 Reach and impact: existing speakers

- 5.4.1 As all Gaelic speakers are also English speakers, the proposed service is unlikely to extend all-BBC reach. However, the potential reach of the proposed service is worth examining as an indicator of the likely public value to be obtained. Among speakers, public value could be obtained if the service achieved (a) increased reach of Gaelic programming within the Gaelic community and (b) new growth in the usage of the language.
- 5.4.2 Because of audience and sample sizes, the available audience and survey data on Gaelic broadcasting does not allow for robust estimates of reach. The research commissioned by the Trust for the purposes of this PVA has a sample size of 185 in Scotland. It can be used to inform a point of view in the context of other available data, but not as the basis for any firm conclusions.
- 5.4.3 The most important point with regard to reach to existing speakers is that, with the Gaelic language community comprising only about 92,000 people with any ability, the available audience is small in this instance. To represent value for money, we consider it reasonable to expect a new service which draws together most of the resources of the Gaelic broadcasting sector to demonstrate a significant increase in reach beyond the levels currently achieved by the sector.
- 5.4.4 In the deliberative research undertaken among Gaelic speakers by Lèirsinn on behalf of the BBC Executive, 58 per cent of participants said the proposed service would increase viewing among speakers and learners, while nearly all the sample (123) considered that they would use the new service a few times a week.
- 5.4.5 This would seem to point towards an increase in consumption by the core audience rather than an increase in reach, but it seems a reasonable assumption that providing a daily schedule could also increase the number of people who access Gaelic content. The Executive has restated its view that the proposition is about increasing consumption by those who currently use the service, not necessarily about increasing reach.
- 5.4.6 This view is in line with Audience Council Scotland’s submission, which stated

²⁸ This is a weekly reach estimate

that, “Because of the very limited nature of current Gaelic provision on television, some of it at the edge of the schedule, current Gaelic content can be hard to access even for the core audience,” a more accessible schedule would therefore be likely to have a positive impact on reach.

- 5.4.7 Providing a more convenient service for existing speakers will also have a positive impact on them provided the services are of sufficient quality.

5.5 Reach and impact: supporting new speakers

- 5.5.1 In this section we look at the appeal of the service to young adults, “semi-speakers” and those in education as children or adults which we will term collectively “new speakers”.
- 5.5.2 The BBC Executive’s project team told us that the service would offer fresh, professional and contemporary programming which would appeal to these audience groups while avoiding “false glitz.” Given its duties, the Trust does not engage in individual editorial decisions, nor would we seek to set the editorial strategy for a particular strand. The clips we have been shown of Gaelic programming suggest that some programmes like this could indeed be delivered.
- 5.5.3 However, we do have concerns about the coherence of the strategy for reaching new speakers.
- 5.5.4 It is clear from our discussions with the BBC Executive and GMS that consolidation within the existing Gaelic community is their first priority (ie to extend reach amongst the relatively few fluent speakers who do not consume existing services and to bring in some semi-speakers). It is not clear what the strategy and timescale is for getting beyond the GDS targets of semi-speakers (also referred to as lapsed speakers and unconfident speakers) and on to attracting new speakers especially the younger generation.
- 5.5.5 It is also not clear from the application whether the production base has the capacity to produce the necessary quantity or range of contemporary and credible programming to attract these target audiences. For instance, the proposal contains funding for training of independent production companies (suggesting improvements are needed before the sector can deliver) but some stakeholders questioned why more programming was not available to the independent sector (suggesting the capacity already exists). The BBC Executive informs us that the proposal includes an element of training as this issue was specifically raised by a number of independent production companies at various industry meetings with the BBC. The issue of capacity and quality was also raised by a number of stakeholders.
- 5.5.6 Another important element in attracting wider audiences and recruiting new speakers is the marketing and promotion of the service. Normally the Trust

would not expect to question marketing in much detail during a PVA, nor expect to see a detailed marketing plan at this stage in the development of a service. However, given the central value of new reach to this service, the importance of marketing in achieving this, and the difficulties imposed by the language barrier, we would have expected this to be more explicitly considered. There is currently a very limited budget for marketing, to cover TV channel branding and idents (the channel identity clips often shown between programmes), and no plan in place to communicate more widely. There are some plans for additional sources of funding that the Executive tell us “might” or “may” be available, but we do not consider this level of uncertainty to be satisfactory.

- 5.5.7 We discussed in some detail the Executive’s plans for these key audiences. We were given the following examples as to how 360 degree commissioning might work in practice:

12-16 year olds: Online leading, TV supporting

Focus on developing an online community, seeding and supporting youth involvement in Gaelic-language User Generated Content, with a view to showcasing some of this material on television. The TV outlet will in turn help to raise the profile of this audience’s experiences and attitudes and will cross-promote the online site to new users.

16-34 year olds: Radio leading, TV and Online supporting

The award winning youth independent music show *Rapal* was established on radio over a period of five years and has recently been developed as a TV format with online support. Each element of the output delivers a complementary offer to the audience.

The radio show transmits each weekday, the DJ features in both the radio and TV shows and the audience has opportunities to shape, access and contribute to content online.

Learners: TV leading, Online supporting

Addressing issues of language learning and acquisition, a short-form (15 minute) television offering will be created including drama and humour which will direct users to further online and radio content. This will include a ‘live chat’ forum and access to helpful existing and new resources – such as a podcast for learners; programme scripts in English & Gaelic; online glossary; interactive language learning game; reminders of availability of sub-titles.

- 5.5.8 A full commissioning strategy for the service has not yet been finalised although both parties have committed to have one in place by 31 December. As such it is not yet confirmed how contemporary and credible programming will be distributed through the various different genres (such as current

affairs, factual etc) that the service intends to broadcast. What is clear from the evidence we have so far is that the strategy being adopted above seems partly at variance with wider BBC strategies to reach audiences. It also contradicts other information we were given in the PVA process.

- 5.5.9 One example to illustrate our concerns is that whilst radio can and does reach very wide ranging audiences, it tends to do so at national level or through stations targeted at specific groups. Radio services trying to reach a range of audiences in a specific geographic location tend to have older, established audiences. Clearly Radio nan Gàidheal (RnG) has some hybrid features, but we still note the core audience is over 45. The BBC Executive told us that music-based programmes like *Rapal* do reach much younger audiences.
- 5.5.10 Whilst we do not doubt this, if we are assuming that many semi-speakers, new learners or those trying to educate young families will be in this target group it would appear odd that the most linguistically demanding medium (radio) should be chosen as the lead delivery service. We recognise that these are examples only, but to date they are the only evidence the Trust has seen of detailed commissioning strategy.
- 5.5.11 Equally, the BBC as a whole has tended to move most of its education services online, with supporting cross promotion from radio or TV.
- 5.5.12 Therefore, while we acknowledge that there is currently some provision of learning resources on the web and some programming for children, we are not convinced that sufficient consideration has been given to the strategy for attracting new speakers to the language.

5.6 Reach and impact: creating value for audiences in Scotland via the GDS

- 5.6.1 Some programming is capable of attracting non-Gaelic speakers (if distinctive in some way) and shows such as *Eòrpa* (which gives a unique take on Europe), *Rapal* (a music show on both radio and TV aimed at young audiences) and *Tir is Teanga* (a series exploring the origins of Gaelic place names and mountain names) have all been given as examples of programming watched by non-Gaelic speakers. Other types of programming, such as coverage of Highlands and Islands issues for the local community or contemporary music also have the potential to broaden reach from the core Gaelic audience.
- 5.6.2 This view is supported by Audience Council Northern Ireland, who commented that, “From the experience of TG4 in Ireland, many non-Gaelic speakers will watch sub-titled programmes of general interest if they are of a high quality.” We understand that most programmes on the GDS will have English subtitles.
- 5.6.3 The current affairs magazine programme *Eòrpa* offers coverage of

contemporary Europe from a Scottish perspective and as such attracts at least some non-speakers who watch via English language subtitles. It is not possible to quantify this element of the audience because data does not distinguish between speakers and non speakers. In the year to date, the series' average audience per episode has been 57,000 – a figure close to the number of adult Gaelic speakers (15+) noted in the 2001 Census. A proportion of this audience is therefore likely to be non-speakers.

- 5.6.4 This finding would appear to be supported by responses in the TNS System 3 survey (April 2007). Four per cent of the sample claimed to use 'a service similar to the proposed GDS' (twice the percentage of the sample who could speak Gaelic). 34 per cent of respondents considered that they would use the GDS service, 19 per cent once or more a week.
- 5.6.5 We considered whether there were possible ways to increase the reach of the service across the wider audience of non-speakers.
- 5.6.6 Both the Trust's own research and the evidence we took from Dr Robert Dunbar²⁹ noted that many minority language television services broadcast in a majority language as well as a minority one.
- 5.6.7 We noted that in some cases, though, the use of majority and minority language programming, such as the combination of English and Welsh programming on S4C, was partly driven by economic factors (i.e. the need to generate share for advertising revenue), and was not necessarily motivated by considerations of what was in the best interests of the minority language community.
- 5.6.8 Audience Council Scotland felt that, "There was significant feeling at the consultation against a mixed language service; that a service 'half in Gaelic and half in English' was not wanted. The Council believes that there are strong cultural and linguistic reasons for providing a service which is almost completely in Gaelic (with subtitling where appropriate), according to the policy successfully followed by Radio nan Gàidheal." We also note that GMS is unable to fund English language programming and as such any costs would come from the BBC budget.
- 5.6.9 The Trust recognises that there must come a point at which a very high proportion of English programming (like 50:50 referred to by the Audience Council Scotland) would alter the nature of the service. However, we also noted that RnG offers music from UK and American artists in English.

²⁹ Dr Robert Dunbar is Reader in Law and Celtic at the University of Aberdeen. He also sits on the board of the Gaelic Media Service, the BBC's partner in the proposed service. He spoke to the Trust in an independent capacity in his role as an academic expert. His views were considered alongside those of a wide range of stakeholders.

- 5.6.10 Audience Council Wales, in their submission to the public consultation, commented on dual language provision saying, “The service could provide a valuable point of contact between the two linguistic communities and be a genuine means of bridging both language communities and increasing understanding between them.”
- 5.6.11 Dr Dunbar observed that one of the advantages of the current BBC Two Gaelic zone was that it familiarised large numbers of non-speakers to the existence of Gaelic in a way that a dedicated service might not do so effectively; it demonstrated that Gaelic was a social reality in contemporary Scotland, and that, contrary to popular stereotypes, it was spoken by all ages and could be used to deal with all subject matter. Even if English programming were to attract viewers to the new service, it was not clear that this would have the same impact in raising the profile of the language amongst non-speakers as dramatically as having some Gaelic programming on one of the major BBC channels such as BBC Two.
- 5.6.12 If used, English language programming should be designed as a ‘bridge’ to draw people into the Gaelic service. He said it would be very important that any English language programming did not reduce the overall hours of Gaelic broadcasting, and furthermore, should additional resources become available, the inclusion of English language programming should not limit the potential for expansion of hours of Gaelic programming in the future. In his opinion, peak viewing times, and the other most accessible viewing times for particular genres (e.g. pre-schoolers in the mornings and early afternoon, school age students in the late afternoon) should also be protected. This is the case for S4C and other minority language broadcasters which use both majority and minority language programming. However, if carefully handled some English programming could possibly draw in new viewers and learners without alienating the core Gaelic speaking audience. What was crucial was that non-Gaelic programming must not be, or be perceived to be, the “thin edge of the wedge”. The question of whether there should be some English language programming is therefore an important, but also sensitive one.
- 5.6.13 The Trust believes that the BBC Executive should explore the potential to increase reach for the service by leveraging across the BBC’s portfolio. This should include consideration of whether the BBC Two zone continues to add value alongside a linear channel. The Executive should also explore whether some limited programming in English could be used if it could be demonstrated that such programming would raise the profile of the service, particularly amongst non-Gaelic speakers, and so increase the reach and appeal of the service. Although we have questioned the BBC Executive about their intentions in this area, we believe it would bear more consideration.
- 5.6.14 A potential issue with a stand-alone channel has been raised, with concern that this could lead to the marginalisation of Gaelic. An Lòchran, for instance, “would like the Trust to consider the importance of maintaining Gaelic on

whatever the most prominent channels are in a post-digital world. In our view there is a danger that Gaelic could become marginalised if confined to a channel, and we feel that Gaelic should be part of the constant diet of popular channels.”

- 5.6.15 According to research carried out for the Trust³⁰, currently 25 per cent of those in Scotland claim to have watched any Gaelic TV content in the last four weeks, with 11 per cent claiming to have used some radio in the same period, and four per cent online content.
- 5.6.16 When asked about the likely effect of the GDS on their future TV viewing habits there is a clear split between current consumers of Gaelic TV content and non-consumers. 58 per cent of current consumers claim they would use more Gaelic TV content, with a further 34 per cent saying their consumption would remain the same. This is in contrast to people who currently do not consume any Gaelic content, only 11 per cent of whom claim they would use more if the GDS were launched.
- 5.6.17 This suggests that the withdrawal of Gaelic content from BBC Two could in fact hamper efforts to reach non-speakers and lends credence to fears of the marginalisation of Gaelic.
- 5.6.18 At first glance, it seems reasonable to assume that current consumption of Gaelic content by those with no ability is, in general, low. However, audience data from BBC Scotland on audiences for Gaelic programming suggests there is a latent interest in certain types of programming. The Executive’s estimates of reach for the GDS as a whole are primarily driven by the estimates for reach to those with no ability in Gaelic. This is based on independent research commissioned by the Executive.
- 5.6.19 The estimate of reach by the BBC Executive increases significantly once digital switchover is complete in 2012. This should be assessed in the light of the proposal to withdraw the Gaelic zone on BBC Two which could adversely affect reach, and counter to some extent the effect of universal access to the digital channel. The Trust notes that the BBC Executive believes a reduction in reach is unlikely.
- 5.6.20 An additional point to consider is whether the wider BBC portfolio can be used to bring greater value to the GDS. The Executive has informed the Trust that content will be produced at relatively low, incremental cost through leveraging other BBC programming, such as coverage of sporting events and music festivals. Wider BBC programming could also potentially be used to bring new audiences to the GDS through more in-depth coverage of important events and landmark series.

³⁰ UK-wide survey on indigenous minority languages, October 2007

5.7 Reach and impact: contribution to the public value of other BBC services

- 5.7.1 Although the service most obviously delivers the BBC's purpose to "represent the UK, its nations and communities" by reflecting the life and culture of the Gaelic area to that language community, the service also has the potential to reflect, to an extent, the life and culture of the area's non-Gaelic speaking residents, who can access the service via English language subtitles. Furthermore, it may help to deliver this purpose for the wider Scottish audience. This is more likely to be achieved by driving material from the Highlands and Islands into mainstream English-language programmes, than by direct consumption of the service.
- 5.7.2 This impact would be greatest in news programming. The establishment of a dedicated news operation based in the Highlands will enable BBC Scotland's news editorial staff, currently based in Inverness, to be geographically closer to the wider Highlands and Islands. All will be able to file in both Gaelic and English, thereby increasing the BBC's ability to report stories from this region in its mainstream news output. This may have an impact on day-to-day output in English but is most likely to deliver benefits when a big story breaks – enabling the BBC to provide coverage from the scene more quickly.
- 5.7.3 One of the BBC's public purposes is to represent the UK, its nations, regions and communities. The Trust's Purpose Remit survey in January/February 2007³¹ measured the detailed priorities which sit underneath this purpose, both in terms of their importance, and the BBC's performance against them. Any difference between the percentage of people saying the priority is important, and those agreeing that the BBC delivers it, is described as a performance gap.
- 5.7.4 Results have been analysed for 'North Scotland'³² as a sub-set of the overall Scotland results, as this is the smallest viable level at which we can report the data. 'North Scotland' includes the Gaelic speaking heartland of the Western Isles and the Highland area but also Grampian and Tayside, so that it does not necessarily follow that the results are consistent across the region.
- 5.7.5 The first relevant purpose priority here is framed as 'catering for my area and community'. Although this priority is only of an average importance in Scotland compared to other priorities, performance is rated as low in Scotland, with only 3 in 10 agreeing that the BBC does this. As a result, there is a performance gap of 24 points in Scotland as a whole and 22 points in

³¹ Details of which can be found on the Trust's website

³² As defined by ISBA regions

'North Scotland', which is substantially greater than the average UK gap for this priority, which is 14 points.

- 5.7.6 An even greater gap emerges, however, in relation to a second relevant purpose priority, which is 'representing the area and community to others in the UK'. This priority is of above average importance in Scotland, but in terms of performance the survey indicates a 30 point gap for Scotland and a 33 point gap in 'North Scotland'.
- 5.7.7 As a comparison, similar gaps appear on both of these measures in Northern Ireland (a 22 point gap for catering for the community, and a 26 point gap for representing the community to the rest of the UK).
- 5.7.8 The Trust believes that news in particular may be one way of addressing some of these concerns, and increasing the public value that the GDS brings to other BBC public services.

5.8 Reach: the distribution and platform strategy for the service

- 5.8.1 The public purposes can be delivered only if the service is accessible to target audiences on platforms that are relevant to their lifestyles and at a sufficient level of quality.
- 5.8.2 Access to the television channel will be restricted in the short term because the service will not be available on Freeview until digital switchover occurs region by region in Scotland. This is scheduled in the Borders area for late 2008/early 2009, in the North of Scotland (including Highlands and Islands) in 2010 and in Central Scotland in 2010/2011. As with analogue television, there will remain some isolated areas where Freeview will not be available even after switchover. However, it is estimated that by the completion of switchover in Scotland, over 98 per cent of Scottish households will be able to access Freeview.
- 5.8.3 The GDS would be available on satellite and broadband (on-demand catch up only) across the UK, the Isle of Man, Guernsey and Jersey from launch in 2008. Cable would follow later in 2008, with DTT in Scotland provided region-by-region post-switchover (starting 2008 and scheduled to finish in 2011). Currently 50 per cent of Scottish households have pay TV, of which 66 per cent is satellite and 34 per cent cable. While satellite coverage in Scotland is high (98 per cent of the UK is covered³³) cable coverage is lower, at only 37 per cent³⁴.

³³ Ofcom's Communication Market Report 2006

³⁴ Ofcom's Communication Market Report: Nations and Regions, 2007

- 5.8.4 These coverage issues mean that for the first half of the period covered by this assessment, the public value provided by the service on television will be reduced in areas where Freeview is becoming the predominant form of digital television. But a high usage of satellite could ensure the TV channel would reach Gaelic speakers.
- 5.8.5 A current area of uncertainty is around Sky's recent announcement that they would not be adding any new channel slots to their Electronic Programme Guide (EPG)³⁵. The BBC Executive remains hopeful of launching in March 2008 but until Trust approval is given this issue cannot be fully resolved. The lack of an EPG slot would make the channel untenable, and as such, should a TV channel be approved by the Trust, achieving a slot should be a condition of launch.
- 5.8.6 Quite aside from coverage issues though, we have had cause to question whether even in the long term a television channel is the most appropriate way to meet the needs of Gaelic speakers in the digital age.
- 5.8.7 We do not consider there is an obligation for either the BBC or the Gaelic Media Service to support the provision of a linear TV channel in order to meet their responsibilities to Gaelic speakers, although we note the suggestions in the Government's White Paper. (In relation to GMS, the Communications Act 2003 says that the service should "secure that a wide and diverse range of high quality programmes in Gaelic are broadcast or otherwise transmitted so as to be available to persons in Scotland"³⁶). The provision of a channel is therefore a matter of strategic judgment that must be justified in public value terms.
- 5.8.8 Part of the drive towards provision of a linear channel stems from the consensus which formed in the pre-digital era about appropriate provision for Gaelic. There is a strongly held view that a television channel is necessary to enhance the status of Gaelic. Stakeholders from the Gaelic and minority language sector expressed the view that a loss of confidence in the language among some sections of the community has been a factor in its decline. They believed that the existence of a linear channel would significantly strengthen the confidence of the Gaelic community in the use and status of their language.
- 5.8.9 Stakeholders felt that for many of the target audience in older age groups and traditional communities, a broadband-only service would have limited appeal. A TV channel would be more effective in attracting talent, securing the motivation of staff and stimulating creativity. It was pointed out that the

³⁵ <http://media.guardian.co.uk/broadcast/story/0,,2184621,00.html>

³⁶ Communications Act 2003, Section 208, Subsection 3

other two Celtic language communities in Britain and Ireland (Welsh and Irish Gaelic) have access to television channels dedicated to their languages (S4C and TG4 respectively).

- 5.8.10 We accept that TV may have more appeal than on-demand for parts of the core audience. But there is also evidence that on-demand may be more effective at reaching the younger audience segments who are critical targets if the service is to succeed in recruiting new speakers to Gaelic. Ofcom's Communication Market Report 2007 observes that UK-wide TV reach "...among children fell from 95.4% in March 2004 to 91.3% in March 2007 while 16-24 year olds were down from 86.5% to 84.2%." This pattern is repeated for radio where according to Ofcom "the amount of time spent listening to radio has fallen across all age groups and stood at an average of 19.4 hours each week by Q1 2007, compared to 19.8 a year earlier. The reduction appears to be broadly correlated to age; the greatest drop was among children, where hours were down 6.4% in 2006/07 followed by 25-34 year olds, where listening fell 2.5% over the same period." According to Ofcom, daily use of the internet is on the up, with the highest penetration, 65 per cent, among 18-24 year olds, who spend nearly 38 hours a month online.
- 5.8.11 Interestingly, the most active age group online are those aged over 65, spending nearly 42 hours a month online. Ofcom comments that, "far from being just a young person's technology, one quarter of all Britons online are over 50 and 30 per cent of total time spent on the internet is by over-50s" suggesting a broadband-only offer would be unlikely to alienate older Gaelic speakers.
- 5.8.12 When considering whether a TV channel is appropriate it is also important to bear in mind the recent licence fee reprioritisation exercise during which the BBC ruled out launching any new channels. It should be noted that the application for a Gaelic Digital Service was already underway when this was announced and taken account of in the BBC's plans.
- 5.8.13 Reliance on broadband delivers services effectively for very small audiences, geographically concentrated audiences and limited content propositions.
- 5.8.14 Broadband facilitates a close alignment of distribution costs to the number of people who actually use a service. This can make broadband expensive where mass audiences are expected, but it helps cost efficiency where a service is expected to appeal to a limited number of people. Broadcasting – particularly transmission by digital terrestrial television – is a very expensive form of distribution. It is cost effective for reaching mass audiences, but incurs redundant costs if it is used to make available to everybody a service that very few will watch. This is likely to be the case with the Gaelic Digital Service. Distribution on Freeview in Scotland is estimated to cost £4m to provide a service to an audience that might realistically be up to 250,000. While there is currently no alternative use proposed for the spectrum capacity which

would be allocated to the service, it is possible that either the BBC or another organisation could make use of the capacity in such a way that generates value for a greater proportion of the Scottish population. Ofcom's forthcoming proposal for rearranging digital spectrum makes it prudent to assume a notional cash value for this spectrum.

- 5.8.15 On-demand can help maximise reach by making content available round-the-clock instead of in a few broadcast time slots. This is particularly relevant for a niche audience since the number of people in the niche who are available to view at the time when a programme is broadcast can be extremely low. On-demand distribution overcomes this difficulty by making programmes available round-the-clock and for a longer period than a few broadcast slots on television. For limited volumes of content, on-demand can make for a more compelling consumer proposition than a linear schedule where the same programmes would be repeated many times. We note that the broadband offer is likely to be limited, with BBC Scotland allocated 10 hours of on-demand content for iPlayer, of which Gaelic may play a part, and no plans for a live, streamed service. While the BBC Executive's research found some evidence that audiences would appreciate the "repeat value" of the service, we think this could be limited by the difficulties of matching viewers to programmes when the available audience is so small.
- 5.8.16 We acknowledge that shortcomings in broadband penetration and technical resilience might cause problems for on-demand access in some remote areas. The majority of households in the Highlands and Islands area are able to access broadband at speeds of 2mbps or more (i.e. at the current BT standard of "up to 8mbps"). However, some – especially those more distant from an exchange – can access only at the lower speed of 512kbps. While this speed is sufficient for viewing streamed video in certain circumstances, consumer experience is variable and this will not deliver an acceptable service for all households. But these difficulties are likely to be resolved in the short to medium term. The rollout across the UK of BT's 21st Century Network by the end of 2011 should enable all BT exchanges in Scotland to offer access to broadband speeds of up to 24mbps and typically about 16mbps. Highlands and Islands Enterprise estimates that all households in the Highlands and Islands area should then be able to access broadband at speeds suitable for viewing streamed video. For households in the areas of the 21 smallest exchanges, comprising about a third of the population of the islands, a special wireless broadband project 'Connected Communities' is being rolled out. These households can currently access broadband at speeds of up to 2mbps. For video streaming purposes this service is comparable to a typical BT service.

number of hours of TV content to be broadcast each year, by genre, is also yet to be determined by the Executive. For this reason we have been unable to verify the estimates of the cost-per-hour of the TV element of the GDS supplied in its application.

- 5.9.5 The application states that the average cost to the BBC per originated hour of the TV service would be [], made up of £11k for an hour of news and [] for non-news. However, the table below shows the actual cost per hour in 2006/07 of producing a show in Gaelic (with S4C given as a comparison):

	S4C £20,800,000		Gaelic £1,800,000	
	BBC produced hours	Cost per hour £k	BBC produced hours	Cost per hour £k
Production costs				
Drama, comedy, music & arts	152	67.5	10.5	84.5
Daily, weekly news & current affairs	260	25	4	21.5
Sport & leisure	78	28.1	0	0
Education, factual & religion	16	55.8	6.5	61.8
Children's	0	0	10	22.7
Repeats	18	1.2	130	1
Analogue total	524	39.7	161	13

- 5.9.6 Further information was requested from the Executive on how the cost per hour for the proposed service has been worked out, and why it appears to differ from actual figures for current content. Its response was that the new service will offer efficiencies of scale, involving more hours of output generated from origination costs which remain at current levels, longer runs, and a different genre mix involving a greater proportion of lower-cost genres.
- 5.9.7 We have compared the BBC's spending on Gaelic to that on Welsh. The following table gives an indication of how much the service would cost per person with some understanding of the language.

	Welsh	Gaelic
Current reach of services*	789,500	77,000
Current BBC spend on service**	£39.2m	£7.2m
Current cost per head	£49.7	£93.5
Proposed BBC Gaelic spend	-	£14.7m
Proposed cost per head (existing reach)	-	£191
Proposed cost per head (proposed reach of up to 250,000)	-	£59

* Welsh reach - TV is 601k (S4C 2006 Annual Report) plus 188.5k for Radio Cymru (BBC 06/07 Annual Report)

Gaelic reach - based on reach estimate of 83% (management application) of 92,000 speakers (2001 census)

** BBC 06/07 Annual Report and management application

- 5.9.8 The BBC currently contributes £39.2m³⁹ per year to Welsh language TV and radio (in addition there is an estimated £1m for online costs not included in this figure) compared with £7.2m to Gaelic. If we consider the 2001 census figures for how many people have some ability in each language (798,000 for Welsh and 92,000 for Gaelic) then the BBC currently spends just under double per head on Gaelic than Welsh. If we look at actual estimated reach as shown in the table, then again the figure for current spend per head is around double.
- 5.9.9 If the increased spending were approved this ratio would rise to over three times as much. This raises the question of to what extent spending on minority indigenous languages should be proportionate to their representation in the population.
- 5.9.10 This is an issue picked up by Audience Council England in their consultation response: “This is a relatively large budget for a very limited minority audience and on the face of it, does not appear to be a desirable use of resources. Whilst recognising that the Charter & Agreement states the requirement for ‘appropriate provision of services for indigenous minority languages’, the potential audience ... is a small percentage of the UK’s 60 million population, an important consideration particularly at a time of wide-ranging budget cuts.”
- 5.9.11 It is arguable that strict proportionality cannot be applied since there is a certain amount of fixed cost involved in any provision of a dedicated service to a language community. A television service needs to cover a certain range

³⁹ Excludes non-BBC cost of distribution on S4C. Gaelic spend includes BBC distribution cost where appropriate.

of genres, be available across a reasonable time spectrum, and offer a certain volume of output. On this basis, if the number of speakers is sufficient to warrant a service, that service needs to be on a certain scale in order to deliver public value for its intended audience.

- 5.9.12 However, it is the Trust's view that when dealing with such a small target audience, the increased expenditure cannot be justified if all the service achieves is to provide better coverage for that existing audience. To create the necessary public value needed to justify the increased spend, the service must drive some increased take-up of the service among current non-users. More specifically in this case the Trust would expect the service to contribute to the long-term survival of the Gaelic language with a clear strategy for education and learning and promote the service to a wider audience in Scotland.
- 5.9.13 If we compare the cost of the service to the predicted reach of the proposition contained in the service description, it may reach 5-10 per cent of the population of Scotland (250,000 – 500,000). The Trust believes these figures may be over-optimistic since we think most additional reach will really be driven by those with some interest in the language or learners which will be a smaller subset within the number predicted by the Executive. That is not to say there may be others who place a value on the availability of the service for “cultural” reasons even though they themselves will not consume it as shown in the Trust's research. However, in this part of the assessment it is actual potential users we are concerned with.
- 5.9.14 Another aspect of value for money is whether the cost of the service is likely to increase in the future. The BBC funding contribution to the service will be subject to the same funding pressures on all licence fee funding. The expectation of the Trust is, therefore, that the proposed funding reflects the start up nature of the service and would fall over time in line with the efficiency savings expected of other services. Beyond the initial set up phase, we would expect the GDS to contribute to the Trust's target for the Executive of three per cent efficiency from April 2010.
- 5.9.15 There are still a number of issues outstanding around value for money and the funding of the proposition which the Trust would expect clarity on before any service launched:
- Consideration will need to be given to whether or not the proposal requires Secretary of State sign-off for the use of alternative finance (as per Clause 75 of the Agreement), especially around the non-programming (marketing) contribution from the Scottish Media Group.
 - Part of the proposal is for the GDS to fund training for independent production companies. The BBC must be satisfied that doing so complies with its Fair Trading Guidelines because the

independent production companies are currently unable to deliver without further assistance, the 'development challenge'. Is there sufficient talent in the market currently (e.g. without further training) to meet the increased production demanded by the GDS?

- As mentioned elsewhere, an area for further consideration is that it is not clear what responsibilities both partners carry for marketing. There is currently no detailed marketing plan for the launch of the service and beyond.

5.9.16 BBC Internal Audit and the Executive Head of Fair Trading will need to confirm that these issues have been considered and resolved. The budget for the service should not increase as a result of these clarifications. The results of this work should be made available to the Trust before any approval decision is made.

5.9.17 In conclusion, the public value delivered, if the service is able to both target existing speakers and retain them as well as recruiting new speakers and learners, would appear to justify the incremental spend. If the service is unable to attract a wider audience beyond existing speakers then the value for money of the proposition would seem to be insufficient.

5.10 Secondary contributions to serving the public purposes

5.10.1 We believe the proposal will help the BBC achieve the remaining public purposes, albeit for a very small target audience, which are:

- Sustaining citizenship and civil society
- Promoting education and learning
- Stimulating creativity and cultural excellence
- Bringing the UK to the World and the World to the UK
- Helping to deliver to the public the benefit of emerging communication technologies and services

5.10.2 The extent to which the service proposal contributes to these other public purposes is reflected in the service's reach and impact. These drivers of public value have been considered above. For example, we consider that the reach of the service to existing Gaelic speakers and to non-Gaelic speakers would contribute to the public purpose of promoting education and learning of the Gaelic language. However, as we have already set out, we consider that the strategies should be in place to try to reach non-Gaelic speakers which would also further this purpose.

5.10.3 Quality and distinctiveness are the key drivers here. The BBC Executive has said that the increase in the volume of content alone on a channel specifically in Gaelic makes the service distinctive. However, audience research

submitted by the Executive with their application pointed to scepticism about the likely quality of the programming at the proposed level of funding. Nevertheless, we have seen that Gaelic content in recent years can be of high quality.

- 5.10.4 In assessing the public value of the proposal, it is therefore important to establish whether it is likely that a high quality and distinctive service can be delivered.

5.11 Quality and distinctiveness

- 5.11.1 The BBC and GMS already make a large amount of Gaelic content for TV, radio and online. This offers a potentially useful guide to the likely quality of the GDS by examining the quality of current Gaelic output. Over the years, research undertaken by the agency Lèirsinn has indicated a consistently high level of appreciation among the Gaelic audience for Gaelic programmes on the BBC. The research has been funded principally by the Gaelic Media Service and research reports are held by GMS and BBC Scotland. BBC Gaelic programming from in-house or independent sources has consistently appeared in the lists of winners at the Celtic Film and Television Festival. At a consultative focus group of Gaelic speakers held by the Audience Council Scotland in Glasgow in September 2007, it was stated that “the Gaelic community trusted the BBC to provide a service with high standards, as it did in programmes it provided at present.”
- 5.11.2 In its submission to the Trust’s public consultation, Audience Council Scotland stated its belief that, “by creating a service under the creative leadership of the BBC at the centre of the Gaelic media sector, the proposal would maintain and enhance the standards of the sector.” The Council was of the view that BBC provision, from both in-house and independent sources, “currently set the benchmark for standards in Gaelic programming.” They believed that by extending these standards across all platforms, the new service would extend the range and reach of high-quality Gaelic content.
- 5.11.3 Evidence submitted by the Executive with the application suggested that some people had questioned whether the funding set aside for the proposal was sufficient to produce a high quality service. According to Bòrd na Gàidhlig, the original vision for the channel was one with a budget of £40m, so the current budget is well down on this. They therefore also expressed concern that quality may be compromised. However, they also expressed the view that potential viewers would not mind reduced quality if it meant a greater number of hours broadcast at more reasonable hours.
- 5.11.4 The BBC Trust has been provided by the BBC Executive with samples of various Gaelic programmes across a range of target age ranges and genres, and is satisfied that, if all the programming on the channel were of a similar

nature, the channel would offer sufficient quality.

- 5.11.5 However, as well as new commissions, a significant proportion of the likely schedule will be from the SMG archive (previously shown material) and GMS stockpiled material (newly commissioned and un-shown). This material, from the Scottish Media Group comprises the Gaelic output of Scottish Television over the last four decades. However, it has not been fully catalogued or assessed, and as such the quality is not clear to the Trust.
- 5.11.6 There is potentially scope for enhanced public value in offering access to this material. It includes programming such as one of the most successful language learning series, *Speaking Our Language*, lifestyle series like the cookery programme *Haggis Agus*, a complete run of the Gaelic television soap *Machair* and award-winning documentaries on social and cultural topics.
- 5.11.7 The archive contains substantial resources of interview material, music and light entertainment. Combined with the BBC Gaelic audio and video archive, the GDS archive could potentially serve as an additional resource for secondary content on recent social and cultural history of the Gaelic community.
- 5.11.8 The GDS also intends, subject to rights and budgetary issues, to use high quality BBC broadcasts from other areas of the Corporation, such as sports events and festivals, and add supplementary Gaelic language content for use on the GDS. This will ensure high quality material at relatively small cost.
- 5.11.9 A major element of the BBC contribution to the GDS is the news service. News is a core BBC competence, and as such is likely to be of a high standard.
- 5.11.10 A further element of quality control is that the GDS will be subject to the same editorial standards as all other BBC content.
- 5.11.11 There are some areas requiring further work:
- 5.11.12 The proposal describes a commissioning process whereby both the BBC and GMS are able to commission content. However, as the BBC and GMS have worked together on commissions for a number of years and the BBC retains overall editorial control this is not perceived to be a risk to the quality of output. It may, however, add risk to the overall proposition; this is discussed at 5.12.
- 5.11.13 There remains a question over whether the independent production sector will be able to meet the increased demands for output for the new service. The BBC Executive reports that 37 per cent of BBC Scotland Gaelic television hours in 2006/07 were provided by independent producers, and 43 per cent of all GMS funded hours. This represents a combined total of 41 per cent over all Gaelic television hours. The current target for independent hours from the new service is 50 per cent within an unspecified period. The proposal therefore envisages an increase in productivity from the sector of

approximately a quarter. The BBC Executive and GMS see helping the independent sector meet this challenge as a key role for them, though they draw attention to the fact that as GMS has already been commissioning to the level of its proposed GDS spend over the past few years there will be limited further impact on the independent sector's capacity to deliver.

- 5.11.14 However, PACT has said that it “rejects suggestions that the independent production base in Scotland will struggle to deliver any increase in demand. The Gaelic production sector boasts a wide range of companies of different scale, with a strong track record of successful programme-making.” This view is confirmed by both MacTV who said “For the BBC to state, repeatedly throughout these documents, that the independent sector is not capable of delivering the additional output is not sustained by the facts” and MnE who said “We are of the view that the proposal, however, over-represents the level of contribution required from the BBC in Gaelic content production, at the expense of under-representing the capacity and capability of the independent sector and other contributors.” This suggests that any GDS funds allocated for training of independent production companies could be put to more effective use.
- 5.11.15 A question mark also remains over whether the BBC has the ability to provide Gaelic content which will appeal to the whole range of target audience groups, especially younger audiences. The BBC Executive points to programmes such as *Rapal* and the current learning zone as evidence that they are already able to do this.
- 5.11.16 In general the Trust believes that quality of programming is likely to be in line with that expected of the BBC, but that a level of risk is attached to the capacity of the relatively small Gaelic independent sector and the GDS' ability to produce programming of sufficient breadth and interest to capture younger viewers, and so deliver the key public value related to growing the number of Gaelic speakers. However, although the evidence about capacity is mixed, the Trust can see that the proposed investment would be a major contribution to stimulating the cultural sector in Scotland. We also believe based on the experience of other genres that quality would follow the investment in the short- to medium-term.
- 5.11.17 In terms of distinctiveness, the service as proposed offers a range of new elements, such as a dedicated Gaelic TV channel and one-stop-shop approach to BBC Gaelic content, the provision of daily television news in Gaelic, and an increased level of originations.
- 5.11.18 The dedicated channel is certainly distinctive, as there is currently not a Gaelic channel. The provision of a regular TV news service is also not currently available, so is viewed as distinctive by the Trust.
- 5.11.19 Increased originations are not a distinctive element; simply an enhancement of what is currently available. While a one-stop-shop approach would certainly

be distinctive the Trust is unconvinced that this would be achieved. At launch the proposal would result in Gaelic content being available on BBC Two, the GDS TV channel, radio on both the TV channel and another digital channel simultaneously at certain times, enhanced community radio content⁴⁰, the BBC website and separate GMS website, Radio nan Gàidheal and Tele-G. This seems no more co-ordinated than the current situation. However, the feel and perception of the target audiences are also important.

- 5.11.20 In their consultation response, An Lòchran says, “that this proposal will be unique in Scotland, as it is the only multi-platform dedicated service for the Gaelic community, and as such has no direct competitors.”
- 5.11.21 The tone and ‘feel’ of the channel are also likely to be distinctive, a factor highlighted by Audience Council Northern Ireland who inform us that “the Irish experience has shown, particularly through its music, documentary programming and news service, and to some extent through its drama, that a small, modestly funded minority language service can develop a unique broadcasting ethos that reflects, and is remarkably close to, its core audience.”
- 5.11.22 In light of these factors, the Trust is satisfied that the GDS as proposed is a distinctive proposition.

5.12 Partnership and governance issues

- 5.12.1 The Gaelic Digital Service proposal, if approved, would become the first BBC-licensed service to be run with another organisation, partly funded from sources other than the licence fee. As such it is important for the Trust to examine the partnership and governance arrangements. A failed partnership would undermine the BBC’s delivery of its Gaelic role, compromise the public value assessed so far in this document and put public money at risk.
- 5.12.2 Bòrd na Gàidhlig state that, “Effective collaborative working between the BBC and GMS will be vital to the success of the Gaelic Digital Service.” Some stakeholders have also questioned the strength of the BBC-GMS partnership, and the Trust has some concern over the ability of the two parties to function collaboratively on a day-to-day and strategic basis.
- 5.12.3 The BBC Executive has supplied an outline organisation structure setting out how the GDS would function (overleaf).
- 5.12.4 As a BBC-licensed service the GDS will comply fully with the BBC’s editorial standards. This is formalised in the legal agreement between GMS and the

⁴⁰ GMS currently funds some content on Radio nan Gàidheal and it is expected that this would be available to community radio stations to carry

BBC. The Trust would like to see further clarification as to how this would work in practice.

- 5.12.5 Should GMS decide to withdraw from the partnership, or have its funding significantly reduced or withdrawn by the Scottish Government, the Trust would expect the BBC to withdraw the Gaelic Digital Service in accordance with the terms set out in the collaboration agreement. This would be a condition of launch. There is also a limited risk to GMS funding should the service not launch before March 2008. However, the PVT should be concluded before this, and pre-launch expenditure has already been approved by the BBC Executive. This should negate this risk.
- 5.12.6 The Trust has some concerns that this arrangement will not necessarily deliver clear compliance or control mechanisms. The level of bureaucracy in the structure may also impinge upon creative decisions unless there is clear delegation to the Head of Service. We would like to see further clarification of this point.
- 5.12.7 The BBC Executive has informed us that all commissioned content will be signed off by the BBC through the BBC-employed Head of Service. It states that the commissioning process will be a joint process led on a day-to-day basis by the GMS-employed Head of Content and will follow the same principles as the BBC process with the primary objective being to match the best ideas, irrespective of source, with audience needs. The Trust expects that the GDS' commissioning process must be in line with other BBC commissioning processes and comply with the BBC Executive's Statements of Policy.

GDS Operational and Reporting Structure

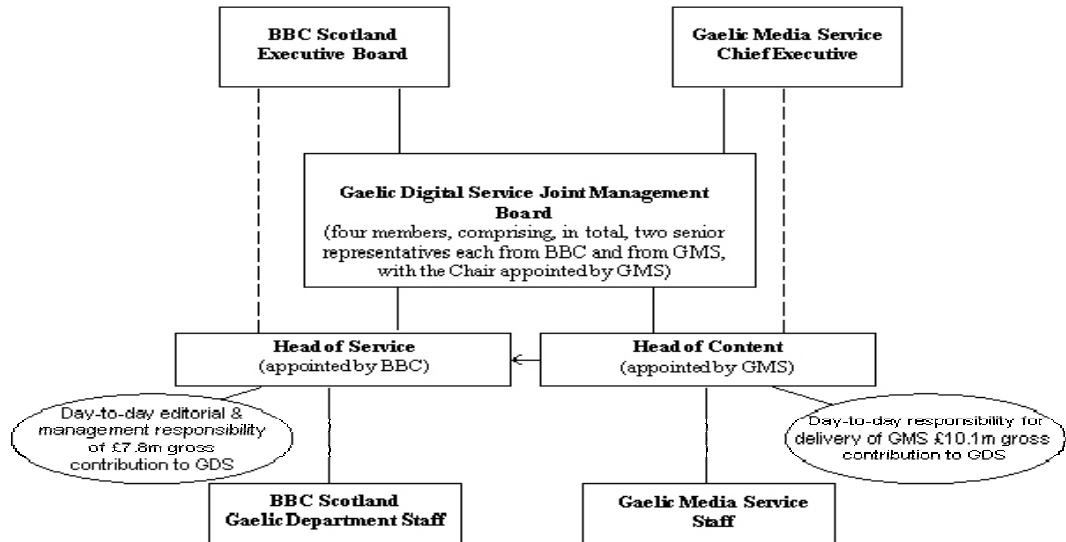


Diagram provided by the BBC Executive

- 5.12.8 A concern around this was raised by MacTV who observed that “One of the current difficulties for independent producers with producing Gaelic programmes is that there exists a dual responsibility – to the BBC (mostly editorial and production) and to GMS (mostly financial). At times tensions have been generated, usually when GMS extends its remit into editorial and production.”
- 5.12.9 The Trust is concerned that the current proposal is for the BBC and GMS to operate separate terms of trade depending on which party commissions content. This would seem to add an unnecessary level of risk to the proposal and could be detrimental to independent producers.
- 5.12.10 A number of question marks remain around the financial operations of the GDS. The BBC Executive has informed the Trust that the GDS would operate without a joint bank account. It is presently unclear to us how the costs of running the service would be allocated or which party (BBC or GMS) would be responsible for settling invoices. It is also unclear how decisions to commit funding would be made. For instance, would the BBC need permission of GMS to commit funding for marketing or vice versa, or would every decision to spend money be jointly made?
- 5.12.11 In light of this analysis the Trust believes that while the proposal potentially offers sufficient public value there are a number of risks to delivery that need to be addressed prior to any approval being given. These are dealt with in Section 7.

6. Counterfactual

6.1 Introduction

- 6.1.1 This PVA has so far looked at the cost of the proposal and the likely public value that it would create. In order for the Trust to make a reasoned decision it needs to be able to accurately evaluate its choices. For this reason it is necessary to look at what would happen were the service not to launch; the counterfactual.

6.2 What would happen if the BBC did not participate in the partnership

- 6.2.1 Bòrd na Gàidhlig has listed the goal of establishing a Gaelic channel as part of the National Plan for Gaelic. GMS has told the Trust that it would launch a service independently, deploying the funding currently set aside for the joint BBC/GMS proposal. Ofcom has approved a licence application for a channel to carry such a service.
- 6.2.2 This means that regardless of the outcome of the BBC Trust's PVT the linear TV channel would exist. It has been suggested by the BBC Executive that critical mass in Gaelic funding could be lost if the proposal were not approved, but we have seen no evidence of this; indeed, as set out above, GMS still intends to launch a channel regardless.
- 6.2.3 The release of funding achieved through the BBC-GMS partnership has been discussed as a positive of this approach. However, were the Trust to turn down this application GMS' funds would still be used to provide Gaelic content on TV.
- 6.2.4 GMS has told us that it would initially launch its TV channel on satellite and cable only, with DTT an aspiration linked to further funding due to the high cost and limited availability of spectrum. The service would be on air for around the same length of time each day as the proposed BBC-GMS joint service.
- 6.2.5 However, on the GMS-only channel originations would be reduced from 1.5 hours a day to 1 hour. The amount available for content would be reduced slightly as they, rather than the BBC, would have to fund the distribution costs of the new channel. The service would, however, still carry a news service and a wide range of genres, though the more expensive genres would be less prevalent.
- 6.2.6 Were the Trust to turn down this application, the BBC would still need to fulfil its obligation to provide "appropriate provision" for Gaelic as a "minority language" as set out in the Agreement. It is the view of the Trust that the

current level of provision already meets this requirement. This is not to say that an increase in public value cannot be achieved, but investment in a stand-alone channel is not necessarily needed.

- 6.2.7 In reallocating £2.5m cash and £5m distribution allocation the BBC could either remain focused on Gaelic or pursue alternative uses. Other potential options open to the BBC to improve Gaelic content could be:
- To supply a news service to the GMS-only channel;
 - to produce more online content specifically targeting learners (and hence contributing to the survival of the language);
 - to supply the GMS-only channel with content other than news; or
 - to offer a greater amount of Gaelic content on BBC Two, and possibly other channels such as BBC Four.
- 6.2.8 In terms of non-Gaelic options, the spectrum also holds a financial value. One option therefore is for the BBC to sell the non-allocated spectrum, []. Ofcom will shortly be launching a consultation on spectrum so this is subject to change.
- 6.2.9 A range of other suggestions were made by stakeholders including more Scottish-based TV drama, a dedicated channel for Scotland, or programmes in the Scots language. Possible options open to the BBC, therefore, could be a Scottish news offering or greater investment in other Scottish programming.
- 6.2.10 In its response to the consultation the BBC Audience Council Scotland considered that there were many priorities for BBC audiences in Scotland, and acknowledged that not all sections of the audience would prioritise increased expenditure on Gaelic services. However, the Council considered that delivering increased benefits for audiences did not always require increased expenditure, but that the provision of a comprehensive media service for the Gaelic community was one which did.
- 6.2.11 Commercial broadcasters have made no commitments to Gaelic broadcasting beyond current licence arrangements. It is likely that Gaelic provision on other channels will cease when the current licences expire, if not before.
- 6.2.12 In summary, a stand-alone Gaelic channel will be launched regardless of the outcome of this PVT. It is likely to contain less original content and the budgeted cost per hour of the content is likely to be less since GMS would also have to meet distribution costs.

7. Conclusions

	Assessment	L	M	H	Comment
Quality	Quality				<ul style="list-style-type: none"> Likely to be of good standard
	Distinctiveness				<ul style="list-style-type: none"> Very distinctive, due to lack of any similar offer in the market
Impact	Existing speakers				<ul style="list-style-type: none"> Highest for existing speakers
	New speakers				<ul style="list-style-type: none"> Lowest for new speakers
	Wider community				<ul style="list-style-type: none"> Lower for wider community
Reach	Existing speakers				<ul style="list-style-type: none"> High for existing speakers
	Non-speakers				<ul style="list-style-type: none"> Low for non-speakers, but could be improved
Cost and VFM					<ul style="list-style-type: none"> Currently poor value for money, but may be improved if non-speakers can be better targeted
Overall public value					<ul style="list-style-type: none"> Poor public value overall but potential to increase score

7.1 Any new service must offer sufficient public value for the Trust to approve it

- 7.1.1 The Trust finds itself placed in a different position within this PVA compared to previous PVAs. We believe we have seen outlined a vision for the GDS within the service description that could, taken as a whole, offer considerable

public value and be a service the Trust would wish to approve. We are also sensitive to the fact that there is a partner involved in this service with its own statutory remit to fulfil.

- 7.1.2 We have seen evidence that suggests the service would be of good quality and provide an enhanced service to existing Gaelic speakers and therefore contribute to some degree to the BBC's public purposes. However, the evidence we have seen so far is not of sufficient detail or quality to support the conclusion that the proposals from the BBC Executive would generate sufficient public value or reach the claimed audience of 5-10 per cent of the population of Scotland.
- 7.1.3 The service would also come at a considerable cost in terms of cost per user of the service if limited to just existing speakers. This is a highly relevant consideration at a time when the BBC is making considerable efficiencies elsewhere in order to fund new investments.
- 7.1.4 In the Trust's view, the BBC is already providing significant public value for the Gaelic speaking community with its existing provision via radio, the internet and limited TV content. The incremental public value created by the benefits we have seen evidence for, whilst laudable, would not seem to justify further investment, particularly when set against the counterfactual that some form of Gaelic television channel would be launched by GMS.
- 7.1.5 It is the Trust's view that when dealing with such a small target audience, the increased expenditure cannot be justified if all the service achieves is to provide better coverage for that existing audience. To create the necessary public value needed to justify the increased spend, the service must drive some increased take-up of the service among current non-users. More specifically in this case the Trust would expect the service to contribute to the long-term survival of the Gaelic language with a clear strategy for education and learning and promote the service to a wider audience in Scotland.
- 7.1.6 If the service is able to target existing speakers, and retain them, as well as recruit new speakers and learners, the incremental spend would appear to be justified. If the service is unable to attract a wider audience beyond existing speakers then the value of the proposition would seem to be insufficient.

7.2 Plans to date to not fully validate the BBC Executive's claims of the public value of the service

- 7.2.1 Therefore, for the Trust to be able to approve the service, we would expect to see convincing evidence that the BBC's involvement would add value beyond its financial contribution. Due emphasis would be given to the other, currently unsubstantiated, aspects of the service description – namely that as well as supporting existing speakers there is a clear strategy to sustain the

language by attracting new speakers and enhancing value for a wider audience.

- 7.2.2 We propose that the BBC Executive be asked to provide this evidence no later than the close of any public consultation period for the PVT.
- 7.2.3 We would anticipate that the Executive is considering producing this material in any event given that the legal agreement between GMS and the BBC commits them to production of commissioning and marketing plans by 31 December 2007.
- 7.2.4 However, for the sake of clarity, if sufficient evidence were not forthcoming to the Trust then the public value demonstrated would be insufficient to justify the investment in the service and it is likely that the Trust would have to decline the Executive's application.

7.3 The additional information needed for the Trust to consider approval of the service

- 7.3.1 The challenge from the Trust can be summarised in two key points:
 - The Trust is not convinced that the proposal for the service places enough emphasis on the role of the service in attracting new speakers to the Gaelic language. In particular, we have not seen sufficient evidence as to how the educational strategy – which we regard as key to the public value of the service – will be delivered.
 - Although we can see that a few programmes could appeal more widely to an audience beyond Gaelic speakers, we have seen very little evidence of a convincing plan for appealing to a wider audience in Scotland – certainly not that would justify the projected reach of the service.
- 7.3.2 The challenge to the Executive is therefore to produce this evidence to the Trust by the end of the PVT consultation period. Given the issues we have already noted about the cost of the service we would expect the Executive to reshape its proposals inside the proposed budget for the service put forward in their application.
- 7.3.3 Key supporting documents would be:
 - The commissioning strategy for the GDS
 - The marketing strategy for the GDS
- 7.3.4 In particular the Trust would like the Executive to consider how far the BBC can sensibly leverage from its other public services to the GDS.
- 7.3.5 The Executive's original application refers to educational material being delivered with a range of partners. We would like to understand how those arrangements would work and the state of their development.

7.3.6 The Trust is also concerned as to whether the service is being distributed in the most effective and efficient way possible. This includes the issues of (a) whether broadband would represent a better medium for delivery, and (b) whether the withdrawal of the BBC Two Gaelic zone and transmission on DTT is the best option for maximising the reach (and therefore impact) of the service and (c) whether the online experience for users will be a high quality one. However, we consider that these challenges can be met by potential licence conditions and other recommendations which are discussed below. This is an area where we would welcome further clarification and thought from the Executive at this stage.

7.4 Recommended requirements and suggested conditions in the event the Trust approves the service

7.4.1 If this evidence is forthcoming from the BBC Executive the Trust could be prepared to approve the service. In such circumstances we believe that the following requirements would have to be met before any such launch of the service in order to enhance and protect public value:

- The BBC and GMS must have agreed plans to ensure that the user experience when accessing online material held by GMS and the BBC will be a consistent, seamless and high quality one.
- In light of recent speculation about availability of slots on the Sky EPG, there must be confirmation that a Sky EPG listing can be obtained.
- The BBC Executive must provide fuller details of how the management structures and financial and accountability controls for the partnership will function, with a report from BBC internal audit giving a clear opinion on them. In addition, the Controller of Fair Trading must confirm that the proposals for training of independent production companies meet with the BBC's fair trading guidelines.
- We will require clear evidence of how the commissioning strategy will minimise the partnership risk created by the joint venture – for example will the partners commission certain genres (other than news) rather than both commissioning all genres? – and how the process for commissioning from the independent sector will be clear and transparent.
- As outlined below we believe a number of conditions would need to be included in the service licence to ensure public value and protect licence fee payers.

7.4.2 The case for a linear TV channel remains debatable, although we note the strong commitment of GMS, and the BBC Executive, to this. The Trust has

two concerns. First, in line with wider BBC strategy and given the necessarily limited range of content available on the GDS, broadband may offer a better delivery platform.

- 7.4.3 Second, the Trust will pay particularly close attention to the launch of the service on DTT since on the one hand if a television service is being made available the Trust considers it should be made as widely available as possible. On the other hand DTT accounts for most of the cost of distribution of the service. The switch to DTT is also the point at which it is proposed that the opt-out on BBC Two would end – where there are possible concerns that reach could be adversely affected.
- 7.4.4 Most of Scotland does not switch until 2010. In the absence of reliable evidence, and given that space on the DTT would not be immediately available anyway, we would therefore suggest that in the event the service is licensed, launch on DTT should await a review by the Trust in 2010⁴¹. However, the 2010 review will allow the Trust to take account of experience gained from the channel being available on satellite and cable alongside the existing opt-out on BBC Two and also to monitor what progress has been made with broadband penetration particularly in the Highlands area. We will also authorise the future removal of the opt-out from BBC Two now, but again subject to review.
- 7.4.5 As a result of this review of evidence we would envisage a decision to either launch the service on DTT or to consider other options for more effective and efficient forms of delivery. We would also expect the Executive to be considering such options even in the absence of a review by the Trust. The Trust would envisage any such review involving Ofcom and GMS as key partners and take into account the strategic aims of GMS and the BBC.
- 7.4.6 The BBC-GMS collaboration agreement sets out each party's funding commitments and details exit arrangements. If the service licence were to be revoked or expire without renewal the agreement terminates immediately. Any renewal will be subject to approval by the Trust and it will be at the discretion of the Trust to apply a further PVT if necessary although with the review in 2010 of delivery options this may not be necessary.
- 7.4.7 Finally, the service licence would only be valid whilst agreed funding is provided by GMS.

⁴¹ The review will take place before digital switchover in STV North and Central.

Annex I: Background to the Public Value Test

The BBC's new Royal Charter and Agreement came into effect on 1 January 2007. The Charter makes clear that the BBC should be able to alter its UK public services – for example, to respond to changes in technology, culture, market conditions and public expectations. However, any significant service-related proposals for change from the BBC Executive, including proposed new services, must be subject to full and proper scrutiny. The means by which this scrutiny takes place prior to approval is the Public Value Test (PVT).

If the BBC Executive proposes to launch a new UK public service or make significant changes to an existing UK public service, the BBC Trust will consider the proposal and decide whether to launch a PVT. The BBC's UK public services include all the BBC television and radio channels broadcast in the UK and the BBC's online services. They do not include the BBC's overseas services nor its commercial services, such as the publication of magazines or sale of videos by the BBC subsidiary BBC Worldwide.

Where a PVT is undertaken the new service or change must not happen until that process is complete. The PVT has several elements. A Public Value Assessment (PVA) is prepared by the BBC Trust to ascertain the likely public value of the proposed change. This document is the PVA of the BBC's Gaelic Digital Service (GDS) proposal. In making this assessment, the BBC Trust acts in accordance with the requirements of a Framework Agreement concluded between the BBC and the Secretary of State for Culture, Media and Sport (Framework Agreement). It also must comply with all its other legal duties including the general duties in Article 23 of the Charter.

At the same time, the communications regulator Ofcom prepares a Market Impact Assessment (MIA) examining the extent of any likely impact on markets relevant to the proposed change.

The BBC Trust then considers these two assessments and reaches provisional conclusions on the proposed change. In order to conclude that the proposed change should be made, granting approval either with or without conditions, the BBC Trust must be satisfied that any likely adverse impact on the market is justified by the likely public value of the proposed change. It also must be satisfied that approval would be consistent with the BBC Trust's duties under Article 23 of the Charter and its other legal duties. The BBC Trust's provisional conclusions will be the subject of public consultation. The BBC Trust will review and take account as appropriate of all representations received before making its final decision on whether or not to approve the proposed change.

Annexes 2-4: Supporting Evidence

These are provided as supporting evidence at www.bbc.co.uk/bbctrust:

Annex 2 - UK-wide survey on Gaelic Digital Service

Annex 3 - Summary of PVA consultation results

Annex 4 - PVA consultation stakeholder responses