

Submission by BBC Management to the BBC Trust's consultation on its provisional conclusions to the Local Video Public Value Test

1) Overview

BBC Management accepts the BBC Trust's ruling that a proposed broadband-only local video offer "would not be appropriate in the foreseeable future."

While Management believed that the Local Video proposal would have helped close the BBC's 'purpose gaps' in 'representing the UK, its Nations, regions and communities', we recognise the BBC Trust's judgement that Local Video would not deliver sufficient public value and that investing in existing linear services could be a more cost-effective way of addressing these 'purpose gaps'. BBC Management also appreciates the wide ranging consultation and scrutiny that forms part of the Public Value Test (PVT) process.

In its provisional conclusions, the BBC Trust challenged BBC Management to improve its existing services to ensure audiences across the UK see a better reflection of their communities. It recommended that "a series of smaller, targeted interventions based on existing services could increase public value and contribute to the relevant public purposes" and asked Management to look above all at:

- "additional resources for existing regional and national television bulletins"; and
- "regional level news opt-outs for radio or television services in the devolved nations".

The Trust also stressed "scope, through meaningful partnerships for the BBC to contribute more widely to existing regional news providers and potential new entrants."

BBC Management agrees with the Trust that the right approach now is to make a considered assessment of how we can best meet this challenge, within the "reasonable" timeframe requested by the Trust.

Management also welcomes the BBC Trust's view that the continued evolution of the BBC's local websites has the potential to deliver public value.¹ Planned improvements to the overall quality, navigation and user experience of the BBC Local websites – within the permissions of the bbc.co.uk Service Licence and related budgetary constraints – will offer strong public value. As broadband take-up on PCs and other online platforms grows, so too will the value of local online multimedia content (whether BBC or non-BBC) and its accessibility to all audiences. These and other future developments promise to ensure that the BBC continues to supply high-quality local online news and information to millions of UK citizens each week. This will allow the BBC's online offer to continue to complement its linear services.

As plans to improve the BBC's linear services are in development, this consultation response will sketch out a direction of travel. First, BBC Management will reaffirm our strong commitment to serving the BBC's Nations, regions and communities, and in particular to meeting the gaps in our performance against this public purpose. Second, we wish to suggest some emerging thinking as to how we may meet the Trust's challenge around these purpose gaps. Third, we wish to reiterate our commitment to working – through existing BBC services – in partnership with other local and regional news providers. We believe these partnership proposals have the potential to offer audiences greater value and play a role in assisting local commercial media realise their ambitions to invest in video as part of their local online propositions. With this in mind, BBC Management is seeking to advance its dialogue with potential partners to discuss how such proposals could work in practice.

¹ See discussion of the 'central scenario' counterfactual, pp.56-58 of the PVA

2) Nations/regions purpose gaps

Local Video was intended to close the BBC's purpose gaps in 'representing the UK, its Nations, regions and communities'. These purpose gaps were identified in the BBC Trust's purpose remit survey.² In recognising the continued existence of these gaps in the absence of Local Video, the BBC Trust concluded that BBC Management should consider alternative proposals that could "contribute to the relevant public purposes."

In summary, the Trust's purpose remit survey found the 'gaps' between the importance attached to the BBC's community roles and audiences' view of current performance to be among the largest for any of the BBC's public purposes. The perception of under-performance is common to all regional, age and socio-economic groups. Relevant gaps include:

Importance	Performance	Gap	Priority Statement
53%	32%	-21	the BBC helps you feel more involved in your community
64%	50%	-14	the BBC caters for your area and your community
60%	42%	-18	the BBC represents my area & community to other people in the UK

Source: BBC Trust

However, the Trust's judgement of Local Video highlighted in particular bigger gaps, in relative terms, among certain audiences, such as younger audiences, some Nations audiences and lower income groups. The gaps in the Nations, for example, are reflected in the low scores for the priority statement, 'the BBC helps me understand how my region is governed politically': -12.9 in Scotland, -11.2 in Wales and -6.8 in Northern Ireland.

BBC Management will therefore carefully consider again the BBC Trust's original research identifying these purpose gaps and revisit the great deal of audience research conducted during the long gestation of the Local Video proposals; research which has been complemented through the conduct of the PVT.

The challenge to BBC Management is now to consider how – in the context of the Trust's provisional conclusions – enhancements to existing services can meet the overall purpose gaps and the particular demands of these target audiences. While overall audiences to our existing linear services are declining and increasing in age, these platforms nonetheless present several opportunities, for example:

- Big audiences on local radio and regional TV for whom a stronger local newsgathering presence could help address the perception that these services are not local enough
- Reach to younger audiences at different times of day (eg. the BBC's new 8pm bulletin adds additional reach of 2m viewers, of which 1.1m are 16-44s and 0.9m are C2DE³)
- Popularity of new programming covering the UK's communities (eg. one recent episode of the *One Show* achieved an audience of 5.41m and a 24.7% share of all TV viewers⁴)

² Survey of 4,500 licence fee payers. BBC Trust Purpose Remit Survey (BRMB, 07)

³ Source: BARB/Infosys, October 2008

⁴ TX: 1900-1930, Tues 16 December 2008

- Demand for better provision of non-news opt-out TV programmes (eg. audiences perceive a wide performance gap by public service broadcasters with a shortfall of 37% for Northern Ireland, 33% for Scotland, 31% for Wales and 28% for England⁵).
- High levels of unique reach to existing BBC Nations/Local Radio (eg. 1.5m people listen to BBC Local Radio in England and no other radio station⁶).

Enhancing these linear services, while maintaining and evolving our existing local online services⁷, could help close the BBC's purpose gaps.

3) Possible targeted responses to the purpose gaps

While we will meet the BBC Trust's challenge to close our purpose gaps in a considered and thorough way, BBC Management wishes to reaffirm its strong commitment to serving the BBC's Nations, regions and communities. As such, we wish to share below some emerging thinking on possible options to improve our existing services.

i) Better regional TV news throughout the week

The BBC currently focuses its regional TV news resources on its 18:30 weekday bulletins. While the BBC will long remain committed to these flagship bulletins - the most popular news programme on television - their scheduling does not always fit the lifestyles of those on lower incomes and younger audiences. Improvements such as increasing the number of weekend bulletins (from the two short bulletins currently) and enhancing newsgathering resources to serve our wider weekday schedule (eg. Breakfast) have considerable potential to reach these audiences identified as underserved by the BBC Trust. The additional reporters - deployed more widely across their regions - could help deepen and enrich the BBC's regional coverage and ensure our network news gives more representative coverage of the Nations and regions.

ii) Boosting coverage of local politics and civil society

The BBC's political coverage could be enhanced by introducing a dedicated network of local government correspondents across the UK. Based in our local radio stations, these journalists could contribute above all to the BBC's existing local radio and regional TV services.

iii) High quality local sport across the UK

Sport is the second most popular area of local content after news and has particular appeal to younger and lower income audiences. The BBC could bring its local sports provision in other parts of the UK up to the standards of its strong offer in Scotland, for example by enhancing local sports coverage in Wales and Northern Ireland, and making best use of the BBC's newly acquired Football League rights via regional opts in England.

iv) Radio news opts

BBC Management agrees with the BBC Trust on the potential public value that could, subject to cost constraints, be offered by regional news opts on our linear services in the devolved nations. In particular, in Scotland, our existing infrastructure means the BBC could address its under-performance here by providing richer and longer FM opts focused on news and sport for the six regions we currently serve while at the same time improving our provision for the Central Belt.

⁵ Ofcom PSB Tracker 2007. The delivery gap represents the difference between the importance audiences attribute to a statement and their satisfaction with the current performance.

⁶ RAJAR Q3 08

⁷ within existing permissions

v) Underserved areas

A number of areas in England continue to be underserved by the BBC without separate local radio stations or local online sites. BBC Management believes they should also be considered for modest targeted interventions. In particular consideration is being given to improving transmitter coverage and the number of journalists in Dorset and Cheshire.

vi) Landmark factual programming

The BBC Trust's provisional conclusions highlighted the potential for more investment in factual opt-outs. The success of projects like *The History of Scotland* (which had an average reach to 620,000 viewers, received exceptional audience appreciation ratings and attracted 350,000 page impressions on its website) could be built on with higher impact landmark programming could help address the significant purpose gaps around cultural representation in Scotland. Similarly the BBC's offering of factual programmes could be improved in the rest of the UK.

4) Partnerships

The BBC Trust saw some potential value in the Local Video partnership proposals and also stressed the ongoing "scope, through meaningful partnerships for the BBC to contribute more widely to existing regional news providers and potential new entrants".

Since the publication of the BBC Trust's provisional conclusions, BBC Management has published partnership proposals to support the continued viability of a plurality of regional and local news. These form part of a package of measures to support the wider public service broadcasting (PSB) sector, such as ITV's regional news provision, which could generate up to £120m of annual benefits to PSB by 2014. However, the proposals could also have potential to benefit organisations and institutions beyond PSBs such as other providers of regional and local news.

These proposals (available in full at bbc.co.uk/thefuture) will be reviewed by the Trust in a process which involves a three month public consultation.⁸ BBC Management summarised the regional proposals as follows:

- "At present the BBC gathers a large amount of audiovisual content for use in its regional TV news programmes. Some of this content is non-exclusive to the BBC: for example 'diary' events. Editorial and journalistic value is added to these pictures later on in the production cycle through insight, interviews, additional content and storytelling, providing a distinct editorial take on common stories. We are exploring options to share this raw news material more widely, in ways that do not reduce plurality or editorial independence. In addition, the BBC is examining whether it could take on greater responsibility for 'live' regional newsgathering resources.
- "There is a significant opportunity to develop a partnership to share regional news infrastructure. In most cases, regional news facilities are duplicated, covering very similar parts of the UK. In the medium- to long-term, the BBC could share infrastructure and broadcast facilities to reduce this duplication. This could enable economies of scale and efficiencies in the building and fit-out of the new centres and in the on-going operational costs. Editorial / journalistic functions would remain separate. There could also be opportunities for co-location among smaller newsgathering bureaux.

⁸ See http://www.bbc.co.uk/bbctrust/consult/open_consultations/partnership_proposals.html

“Further work remains to understand the feasibility and scope of regional news partnerships, including how delivery models might be designed to maximise the value created. The obvious partner for the BBC in this area is ITV, as the designated provider of PSB regional news. The benefits could potentially accrue to other providers of local and regional news beyond ITV, were obligations or providers to change, and would continue to benefit regional news as it evolves.

“A key challenge to this partnership might be the threat of reduced competitiveness between providers and therefore the plurality of regional news. However, by establishing safeguards and systems to ensure appropriate separation, these risks can be mitigated and public value delivered, including by,

- “Expanding the volume and choice of news material available, creating the opportunity for more diverse and differentiated coverage.
- “Sharing content, allowing new players to enter the local news market, eg. by reducing the barriers to entry for local newspapers’ online operations.
- “Creating large regional news centres facilitating, over time, the participation of other partners such as educational, community and training bodies.”⁹

In addition to the above new proposals, BBC Management believes that some of the thinking behind the partnerships proposed in the Local Video application could be further developed to the benefit of licence fee payers irrespective of the BBC Trust’s Local Video decision, as follows.

i) Enhanced linking to other providers

In line with [bbc.co.uk Review](#), the BBC recognises that it could offer more prominent and effective linking to other local sites. Acting as a ‘trusted guide’ to other local content enhances users’ experience of [bbc.co.uk](#) and can benefit other local providers. In particular, the BBC plans to introduce to the BBC’s local stories its ‘newstracker’ – displaying as headlines links to stories by other local news providers covering the same stories as the BBC. Budgets allowing, the BBC will consider introducing in-video links from the BBC’s existing regional video online to other local video providers where other provision exists.

ii) Sharing BBC video content online (syndication)

Separately from the above regional proposals to potentially share raw footage, the Local Video application had proposed to allow other local online providers to supplement their own video coverage with the Local Video content. We note strong initial stakeholder opposition to the Local Video syndication proposal. The development of a similar proposal for the BBC’s existing regional video also poses several challenges, which the BBC will consider in line with its wider syndication strategy.

However, BBC Management believes that syndication could still potentially drive not only the availability, consumption, reach and approval of BBC content but also benefit to the providers who choose to display BBC content on their own sites.

BBC Management does not accept Ofcom’s analysis in its Market Impact Assessment that the BBC Syndication Guidelines prevent our content being used by would-be syndication partners. Ofcom’s interpretation is that “BBC content cannot be used on webpages that also carry advertising”¹⁰. However, the BBC’s Guidelines refer not to the “webpage” but to the audiovisual “screen”¹¹ in which BBC content appears. The Guidelines therefore prohibit pre-

⁹ See *Public service partnerships*, pp.10-11

¹⁰ Ofcom, MIA, p. 150

¹¹ BBC Management’s Syndication Guidelines, p.5

roll advertisements and advertisements in the ‘wrapper’ around the AV screen but not, for example, banner ads that appear on the same webpage as any BBC content. While the BBC has voluntarily adopted the practice of requiring existing syndication partners to remove all advertisements (including banner ads) from webpages where the page would not exist if it were not for the BBC content, it does not adopt this approach where BBC content represents only part of the content on offer, and nor does it believe such an approach would be proportionate.¹² This allows the BBC to maximise the flexibility afforded to other providers in their display of BBC content while satisfying BBC editorial imperatives. Syndication by the BBC does not enable partners to increase directly their advertising revenues but will enable them to augment audience numbers and appreciation for their enriched content offer.

iii) Enriching the skills base of the local media

The BBC could share the expertise and experience of its regional news teams to providing advice in training and mentoring in shoot and edit skills with local newspapers who wish to take up the offer. As relationships develop, so would other opportunities such as work placements or formal courses. The BBC also plans to make available in 2009 its extensive online training resources to other providers by opening up its College of Journalism website. These resources include material such as the Safeguarding Trust course on editorial integrity.

iv) Collaborative editorial initiatives

In a number of areas BBC local radio stations already link up with local newspapers to run shared community or sports awards. For example, Radio Berkshire, and the Bracknell News and Reading Chronicle jointly promote The Pride of Bracknell Awards. BBC Radio Nottingham has worked with the Nottingham Evening Post for the past 6 years on the Reach Out community awards. In Leicestershire, BBC local radio and the Leicester Mercury have worked jointly on a Christmas Carol event across more than 100 locations. In Suffolk, the BBC recently ran a major event for the 30th anniversary of Ipswich Town Football Club's finest hour – the 1978 FA Cup win by Bobby Robson's team – in partnership with the Ipswich Evening Star. The BBC remains open to ensuring useful relationships such as these continue to develop via the BBC's existing portfolio of services on the ground.

v) Supporting Community Media

The BBC has formal partnership agreements in place with The Community Channel and the Community Media Association, which we hope to strengthen. Community Channel initiatives in 2008 included: *Headroom*, where BBC Learning produced films with people with mental health problems; *Silk Screens*, 6 x 30 minute compilations of films made with the Chinese communities across the country in the pre-Beijing Olympics period; and *East End Olympics*, a 30 minute Paul Ross-presented programme based on interview material and local residents' video diaries which featured on the BBC London/Video Nation websites and were broadcast on BBC London regional output.

5) Conclusion

BBC Management hopes that this submission, and the emerging thinking it contains, helps to underline the importance it places in serving the UK's Nations, regions and communities. The discussion of possible developments in partnerships with other local and regional providers is intended to help advance dialogue with potential partners and supplement the BBC Trust's ongoing consultation on the BBC's wider PSB Partnership proposals.

¹² The Guidelines also prohibit any “implied association between the BBC and such advertising” and the direct use of BBC assets to “secure business from advertisers”. Like all similar BBC policy and practice, the Guidelines and their implementation are subject to periodic review by BBC Management.