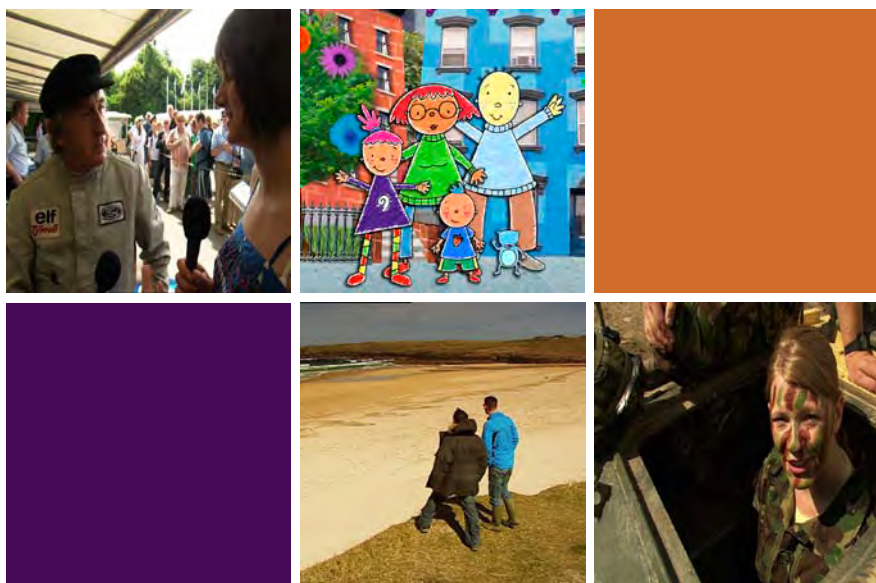


BBC ALBA review

Final conclusions

December 2010



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About this review

Who are the BBC Trust?

The BBC Trust is the governing body of the BBC. We're here to make sure the public who own and pay for the BBC get the best out of the BBC. We set the strategy for the BBC after wide public consultation and we make sure those who manage the BBC stick to the course we've set. We guard the independence of the BBC from undue political or commercial pressure. We ensure the BBC has high standards – and lives up to them. We make sure the BBC gives excellent value for money.

What is BBC ALBA?

BBC ALBA is a Gaelic language television channel available on satellite and BBC iPlayer, with limited distribution on some smaller cable providers. It aims to serve Gaelic speakers, those learning the language, those that might wish to learn, and those interested in the language and culture. It aims to reflect and support Gaelic culture, identity and heritage. The BBC Trust approved the launch of BBC ALBA in 2008 following a Public Value Test (PVT) and the channel launched on 19 September that year. It is the first BBC licence fee funded television service to operate as a partnership – between the BBC and MG ALBA.

Why have we conducted a review?

As the BBC Trust it's our responsibility to get the best out of the BBC for licence fee payers. Our approval, following the PVT, made it clear that the Trust needed to carry out a further review of BBC ALBA, before switchover in Central and Northern Scotland commenced, to examine whether the service was fulfilling its goals. This is to enable the Trust to decide whether the channel's service licence should continue, and so whether the BBC should remain involved in its current form. We also concluded that this review should examine whether or not BBC ALBA should be carried on Freeview and what the future of Gaelic content on BBC Two should be. Specifically, the conditions relevant to this review were:

- The service's progress towards its aims, particularly around education and achieving wider appeal beyond existing speakers, should be evaluated in a review by the Trust, alongside consideration of the most appropriate methods of distribution (including DTT), before digital switchover commences in central and northern Scotland in 2010. The continuation of the Service Licence will be subject to the review providing the Trust with sufficient evidence of the service's performance.

- The future removal of the opt-out from BBC Two should also be subject to the review before digital switchover commences in central and northern Scotland in 2010.

We launched our review in October 2009, when we published a detailed assessment from the BBC Executive and MG ALBA of how the channel has performed so far and what they would like to do in the future.

In March we announced that we were extending the timetable for the review. We were at that time conducting a strategic review of the BBC to set the guiding principles by which the Corporation will operate over the coming years. One area of the review was of direct relevance to the Trust's considerations of how BBC ALBA might be distributed in the future:

What should 'universality' of access to BBC services mean in future and where should the balance be struck between pursuing new technology and fixing existing gaps in coverage?

We took the view that until we had reached a view on what universality should mean for the BBC as a whole we were unable to take a decision in the specific case of BBC ALBA. We therefore decided to conclude our review of BBC ALBA once the strategic review was complete.

The BBC Executive has since provided the most up-to-date information in addition to their initial submission. The Trust has now published its final conclusions on the strategy review and so we have been able to complete our review of BBC ALBA.

What did our review look at?

Part One: Assessment of public value

As well as assessing how well the channel is serving Gaelic speakers there are three main areas covered by this part of the review:

1. Is sufficient emphasis being placed on attracting new speakers to the Gaelic language?
2. Is the service appealing more widely beyond Gaelic speakers?
3. Is the service operating effectively?

Part Two: Future strategy and funding

4. How should the BBC's Gaelic provision be delivered in the future?

The decisions we have had to take during this review

The Trust's original PVT conditions require the Trust to reach a view on the following questions:

- Has BBC ALBA performed sufficiently well to justify the continuation of its service licence? This depends particularly on our assessment as to whether it has:
 - Focussed sufficiently on its educational remit
 - Achieved wider appeal beyond existing speakers
- How should BBC ALBA be made available to audiences in the future?
 - Should BBC ALBA be available on Freeview in place of the BBC's radio stations, in Scotland only, while BBC ALBA is on air?
- Should Gaelic programming continue to be broadcast on BBC Two? If yes, are the Gaelic 'zones' an appropriate way for this to happen?

How we have listened to audiences

As part of the review, in order to understand the views of licence fee payers, we conducted a public consultation. 4,421 people responded to the online consultation, 200 submitted their views by e-mails and 140 letters were received. A summary of responses is appended to this report. A further 436 people sent in pre-printed postcard responses or newspaper cut-out coupons, while 196 people submitted standard wording e-mails, all in support of carriage of BBC ALBA on Freeview. In addition there were a number of responses from organisations - including the Audience Council Scotland. A summary report of responses is published alongside this final report.

We also conducted our own audience research, as well as analysing the information provided by the BBC Executive.

A summary of key findings

Part one: an assessment of public value

BBC ALBA is serving Gaelic speakers well. It reaches 72% of those with access to Digital Satellite and 38% of the total adult Gaelic community in a typical week.

The Service is also appealing more widely beyond Gaelic speakers, attracting over four non-Gaelic speakers for every Gaelic-speaking viewer.

The BBC and MG ALBA are making strong progress towards attracting new speakers to the Gaelic language. The Trust is encouraged by the links forged with educational partners and believes that this co-ordinated approach can only lead to positive developments over time.

The Trust is very encouraged by the degree of progress made by the BBC and MG ALBA since the channel's launch and are content that the service is operating effectively.

A condition of the Trust's approval for BBC ALBA to launch was that the continuation of the service licence should be subject to a successful review by the Trust. On the basis of the analysis in part 1 of this review, we are satisfied that BBC ALBA is achieving the aims it has been set and performing well. As such, the service licence will continue, and now be subject to review at least once every five years in line with other BBC services.

Part two: future strategy and funding

The partnership with MG ALBA is the best way for audiences to be served.

The initial stock of programming from MG ALBA made available to the channel at launch is all but exhausted. As the level of originations comes under pressure it is important that programme quality continues to be kept high.

There remains a strong rationale for a linear channel.

Broadband is not currently an alternative to linear distribution.

Gaelic 'zones' should no longer be maintained on BBC Two.

BBC ALBA should, in principle, be carried on Freeview. However, this decision does not resolve the difficult issue as to how this might be achieved.

The BBC Executive have proposed to remove the BBC's radio services from Freeview, in Scotland only, when BBC ALBA is on air to allow the television service to be available.

There is strong public policy and political support for this proposal in Scotland.

The views of audiences are more balanced.

The principles and objectives set by the strategy review for distribution and universality offer room for interpretation in this instance due to the complexity of the decision.

We estimate that carrying BBC ALBA on Freeview will result in an increase of between 73,000 and 111,000 viewers and 238,000 hours. This increase on top of existing viewing

would result in total viewing levels of between 261,000 and 279,000 people and 597,000 hours.

Removing the BBC's radio services would affect up to 51,000 listeners and around 119,000 hours of listening.

There is therefore likely to be a net gain of between 22,000 and 60,000 users and 119,000 hours were BBC ALBA to be carried instead of the radio services.

On balance we have concluded that in light of the likely positive direct impact of change, the strong views expressed by the Scottish Government and the Scottish Parliament and the strategic preference of the BBC Executive, that we should approve the removal of the BBC's radio services from Digital Terrestrial Television for those periods when BBC ALBA is on air.

The Trust expects the Executive to continue to explore whether the development of technologies which use spectrum more efficiently might enable some radio services on DTT in Scotland to be maintained alongside BBC ALBA in the future, subject to the normal value for money and public value considerations

Part one: an assessment of public value

The channel is serving Gaelic speakers well

The BBC Executive and MG ALBA have observed that the Gaelic-speaking population have welcomed BBC ALBA, particularly the quality and variety of the BBC ALBA offering.

BBC ALBA reaches 72% of those with access to Digital Satellite and 38% of the total adult Gaelic community in a typical week (around 35,000 individuals)¹. They do not believe that reach of other Gaelic media services (on BBC Two Scotland and Radio nan Gàidheal) has been materially affected by the launch of BBC ALBA amongst this group. They have told us that viewing is highest in peak-time and for an average of 5 hours per week in 2010.

Respondents to the Trust's public consultation who identified themselves as Gaelic speakers showed strong support for the channel, with nearly three quarters claiming to watch the channel on either a daily or weekly basis, the majority for between fifteen minutes and three hours at a time. It is clear that speakers appreciate both the quality of the output on offer, the increased volume available and the wide variety of programmes.

Audience Council Scotland engagement with Gaelic speakers indicates that the service is highly valued among Gaelic speakers. Viewers who speak or understand Gaelic generally feel that there is a good variety of programmes which appeal to a broad range of interests within the Gaelic audience. The quality of the originated programming is identified as a particular strength of the channel, especially in relation to documentaries, described by some as being of an equivalent or better standard than those shown elsewhere. Overall, viewers believe the service addresses contemporary needs and finds innovative approaches to its subject matter.

We are pleased that the service has been welcomed so vociferously by the Gaelic community, who are clearly a very important part of the channel's target audience. Our public consultation also shows that Gaelic speakers are positive about the service and Audience Council Scotland's outreach findings also point towards this conclusion.

We are reassured by the high reach levels amongst speakers and hope that the channel can maintain the strong progress it has made so far. We will now work with the Executive to ensure that performance is reported routinely to the Trust alongside the BBC's other television services.

The service is appealing more widely beyond Gaelic speakers

The BBC Executive and MG ALBA are clear that BBC ALBA has demonstrated an ability to attract a broad spectrum of viewers from across Scotland towards Gaelic television. They cite the fact that for every Gaelic speaker the channel has drawn since launch, BBC ALBA

¹ BBC/MG Alba Partnership submission to BBC Trust, Oct 2009. Source: Lèirsinn audience research, September 08 – March 09

has attracted at least four non-Gaelic speakers, with an average 15+ minute weekly reach of around 170,000 over the past year (just over 4% of the 16+ years old Scottish population as a whole²).

While the length of viewing is obviously highest amongst speakers, around 5 hours per week, those without any ability are still watching the channel for an average of 1.65 hours per week³.

The Executive acknowledge that there is some geographical differentiation, with the greatest reach being achieved in the Highlands and Islands (just under 12% reach⁴), but they are nonetheless confident that the channel appeals to a broad range of people, with non-speakers particularly attracted by music, sport and factual programming.

They have also highlighted to the Trust that, in Scotland, BBC ALBA has a higher approval score than BBC Two, BBC Three and BBC Four. Their research shows that 45% of adults in Scotland agree that BBC ALBA is a worthwhile thing for the BBC to be spending the licence fee on, 30% are neutral and only 25% disagree⁵.

In response to our consultation, audiences and stakeholders generally agree that the channel has been successful since launch, and is generating considerable goodwill and political support. Around three quarters of respondents to our consultation believe that the channel is appealing to people beyond Gaelic speakers.

The majority of respondents seem to feel that BBC ALBA does have a broader appeal beyond Gaelic speakers. Many comment that there is a wide range of programmes which gives the channel broad appeal and the use of subtitles is useful in helping learners and encouraging non-speakers to experience the Gaelic language and culture.

Since the launch of the channel, BBC ALBA has been the subject of appreciative comment by non speakers at most public events held by Audience Council Scotland. The news, sport, landscape and music programming are most frequently mentioned. Many licence fee payers see the channel as a welcome extension to the range of Scottish content from the BBC, supplementing existing provision on BBC One and Two Scotland. Audience Council Scotland noted in its Annual Review 2009/10 that it believed the range of original journalism offered by the BBC in Scotland had been enhanced by the political and contemporary social issues featured in BBC ALBA's news and factual output.

The Trust asked the Executive to test the reliability of the viewing level data provided by the Executive. Technological and sample-size restrictions make BARB unsuitable for assessing the reach of BBC ALBA. Data is instead collected via a survey. We are confident that the data gathered through claimed reach methods is statistically reliable enough to draw broad conclusions, although there are limitations in the ability to compare the numbers with other channels' performance drawn from BARB data. The levels of reach reported over the past year, around 170,000 viewers each week compared to just over 90,000 people with some ability in Gaelic, as well as the views expressed by the Executive, MG ALBA and respondents to our consultation, all lead the Trust to conclude

² TNS SOS Nov 2008 – June 2009

³ BBC/ MG ALBA Partnership Submission to the BBC Trust, October 2009. Sources: Lèirsinn audience research April 2010 – Sept 2010 and TNS SOS April 2010 – Sept 2010

⁴ TNS SOS audience research: Average reach during Apr 2010 to Sep 2010 was 11.8% in the Highlands and Islands

⁵ TNS SOS Sep09, Jan10. Base All who have watched BBC ALBA in the past 7 days

that the channel has a broad appeal. This is very encouraging given the channel has been operating for a relatively short space of time.

Sport, music and factual are genres performing particularly well in bringing a range of people to the channel. Although there has been some criticism of this approach through the media, particularly regarding football carriage, the Trust endorses the use of a range of programmes to appeal to non-speakers. BBC ALBA is about not just the Gaelic language, but also broader Gaelic culture and its links to Scottish life, both past and present. We therefore continue to encourage the Executive and MG ALBA to remain focused on ensuring the channel retains its broad appeal.

While solid progress towards the channel's initial target of 250,000 viewers has been made in the first few years of broadcast, the BBC and MG ALBA will need to remain focussed on ensuring the channel delivers content of broad appeal to continue to grow the channel's reach. The Executive paper highlighted the lack of cable carriage as a contributing factor to reach of below 250,000, which the Trust acknowledges. We would nonetheless expect to see viewing levels and awareness increase over time as those commissioning content build a greater understanding of what attracts audiences from across Scotland.

Overall, the Trust is pleased with the channel's performance so far in reaching beyond the Gaelic community and providing a range of programming of broad appeal.

The BBC and MG ALBA are making strong progress towards attracting new speakers to the Gaelic language

The Executive and MG ALBA have stated that increased interest is already being shown in learning Gaelic, and explained that they are working with a forum of organisations leading Gaelic language learning development to ensure the strategic provision of learning resources across BBC media platforms. They are using BBC ALBA's range of new programme brands with young and new personalities emerging to make Gaelic more attractive to new audiences. Their current content strategy for children and young people is mainly directed at those in Gaelic-speaking households or those in Gaelic-medium schools.

A key element of the success so far is attributed to the launch of BBC ALBA giving a higher national profile to the Gaelic language, offering new opportunities to support language learning at all levels. BBC ALBA has added to and enhanced the range of immersive linguistic environments available to Gaelic learners with:

- More dedicated learning output available
- Resources co-ordinated across media
- Strategy to version general output to aid learning
- Learning actively and consistently promoted
- Scheduling content on a cyclical basis – to capture students as they start their learning and move through the increasing levels of fluency

BBC ALBA, Radio nan Gàidheal and bbalba.co.uk have adopted a co-ordinated approach to improve the quantity and availability of learning material in Gaelic. Regular scheduling on television, supported by video, audio, and textual content online, provide an increasing, permanently available source of learning materials. This offers the flexibility for individuals to learn as suits them best. Support is offered to parents, teachers and children so that the next generation takes up the language, with cross platform resources for children at pre-school, primary and secondary school stages.

The BBC/ MG ALBA partnership worked with Clì (the Gaelic Learner's Association) to assess the impact of BBC ALBA on the learner community. Their survey results indicate that a third of respondents watch BBC ALBA, 57% watch Gaelic programming on BBC Two or STV and two thirds are listening to Radio nan Gàidheal. Close to a third, 31%, also stated they use bbalba.co.uk. Of those watching BBC ALBA 45% watch once a week or more. Three quarters (74%) agreed BBC ALBA supports Gaelic education and learning and two thirds (67%) agreed BBC ALBA has programmes which help with learning Gaelic.

Organisations also believe that BBC ALBA is attracting new speakers to the Gaelic language. Bòrd na Gàidhlig, the Gaelic language board, has praised the channel's contribution to education, noting the BBC/MG ALBA's partnership's willingness to contribute to formal and informal learning initiatives at all levels. Fèisean nan Gàidheal, a not-for-profit organisation involved in, among other things, making Gaelic language tuition more accessible and widely available, has expressed the strong view that the channel adds considerably to the range of other initiatives that are in place to support and promote the Gaelic language.

Nearly three quarters of respondents to the Trust's consultation believe that the channel is placing sufficient emphasis on education. Among those who class themselves as interested in the language and culture but non-speakers, a key target group for the educational aims of the channel, this rises to 80 per cent support. Audience Council Scotland's submission notes that the focus group in Glasgow felt the channel was "an excellent idea" and "another way of keeping the [Gaelic] language alive and...attracting more people to become interested in it and maybe learning or speaking it." Some audience members noted that the higher profile for the language offered by the channel had helped to encourage adult learners to take up the language in the first place.

On the basis of the evidence before it, the Trust is encouraged by the links forged with educational partners and believes that this co-ordinated approach can only lead to positive developments over time. The Trust is satisfied that the channel is making strong progress towards the educational goals set for it during the PVT process.

The service is operating effectively

As evidence of the partnership's growing productivity, the BBC and MG ALBA highlight that the independent production sector has engaged with BBC ALBA, benefitting from the greater volume of Gaelic content needed to sustain a channel. They inform us that supply contracts have been awarded to three independents, allowing for stability, skill-building and cost-effective production. We understand that BBC ALBA holds regular commissioning rounds and has worked with 28 companies in 2008 (26 independents, STV and BBC). MG ALBA spent 74% of its content budget in 2008/09 on suppliers outside the BBC⁶. The BBC

⁶ MG Alba Annual Report and Accounts 2008/09

and MG ALBA also believe that there is evidence that both production capability and quality of programme ideas amongst producers seeking to supply BBC ALBA exceeds current investment.

Although many respondents to our consultation did not feel qualified to comment on the success of the partnership, most of those who did express a view also expressed strong support for the partnership model of delivery, with over 80 per cent of people believing that the partnership is working well.

Organisations, perhaps the main group with insight into this question, backed up this view. The majority feel that the BBC / MG ALBA partnership is functioning well, and that both parties are engaging well with third parties. For instance, Bòrd na Gàidhlig, responsible for the development of the Gaelic language and funded by the Scottish Government (and as such a key stakeholder for BBC ALBA) have welcomed the direct and indirect support provided by the BBC and MG ALBA so far and have told the Trust that they regard BBC ALBA as a key partner for the future.

Companies involved directly with supplying BBC ALBA with content and services also, in the main, believe the partnership to be working effectively. The decision to put in place long-term 'volume supply contracts' with three independent companies in particular has been cited as a way in which the partnership has allowed the broader industry to grow. PACT, the industry body for independent production companies, has cited the strong relationship it has with the BBC/MG ALBA partnership.

Meanwhile, from a more inward facing perspective, the BBC Executive has informed us that editorial compliance has been strong so far, while the Trust has not received any complaints or appeals regarding BBC ALBA output. The Trust's own experience in conducting this review has also been positive, with both BBC and MG ALBA staff able to co-ordinate input in an efficient and effective manner much improved since the PVT process.

The Trust is very encouraged by the degree of progress made by the BBC and MG ALBA since the channel's launch. The feedback from audiences and stakeholders, as well as the performance data discussed above, shows that the channel is performing well. This is a positive reflection of the way in which the partnership is working.

BBC ALBA has performed well enough to justify the continuation of its service licence

A condition of the Trust's approval for BBC ALBA to launch was that the continuation of the service licence should be subject to a successful review by the Trust. On the basis of the analysis in part 1 of this review, we are satisfied that BBC ALBA is achieving the aims it has been set and performing well. As such, the service licence will continue, and now be subject to review at least once every five years in line with other BBC services.

Part two: future strategy and funding

The partnership with MG ALBA is the best way for BBC ALBA's audiences to be served

MG ALBA and the BBC believe that their partnership has served Gaelic and Scottish broadcasting better than options of collaboration. They believe that continuous affirmation of co-ownership is key to keeping the partnership strong and focused on future achievements.

The BBC and MG ALBA have observed that by pooling people, resources and skills the partnership is enabling a new confidence in Gaelic language broadcasting which may allow the language to gain status in society, grow, and move towards the mainstream of Scottish life.

The Trust agrees with their assessment that BBC ALBA enhances plurality within Scottish public service television broadcasting and that it is well positioned to cater for underserved niches of Scottish life.

The Trust is delighted with the way in which the BBC and MG ALBA are working together and believes that BBC ALBA is a striking example of the success that can be achieved when the BBC works in partnership with others in the interests of audiences.

Programme quality must continue to be kept high

Those involved in the day-to-day running of the channel have told us that investment from the BBC and Government will be prioritised on content which will attract the wider Scotland-wide audience e.g. factual, music and sport; programming which will better serve the Gaelic-speaking community, in news, drama and general entertainment; and the development of BBC ALBA's cross platform offering for Gaelic language learners and for children. As noted in the Collaboration Agreement between the BBC and MG ALBA the service has ambition to grow originated output aiming for similar levels to S4C and TG4 by the end of the current charter, subject to available funding.

The Trust is concerned about the implications of the channel's current funding levels for the quality of programming. The stock of programming provided by MG ALBA has been all but exhausted, meaning it is likely that repeat levels will rise. The Executive has estimated that the cost of maintaining year 1 origination levels will be in the region of £2.5m - £3m per year.

The current economic climate is placing pressure on budgets throughout the public sector. The recently announced licence fee settlement will require the BBC to achieve a 16% cash-releasing efficiency target, net of implementation costs, over the four years to 2016/17. In this climate the BBC cannot fill this funding gap on its own. Indeed, BBC ALBA's budget should be assessed as part of the same process as every other BBC service as the BBC seeks to understand in detail the implications of the new settlement. Nonetheless, the Trust is keen to emphasise to the BBC Executive that it is important that

the quality, reach and audience appreciation levels of BBC ALBA's programming be maintained over time.

We would like to understand from the Executive how they intend to manage the declining programme stock levels and accompanying decline in the likely volume of originations shown each day. We are asking the Executive to consider whether the existing budget is sufficient to meet the objectives set for BBC ALBA, particularly in light of the declining number of originations available to the channel as the pre-launch programme stock from MG ALBA is run down. We are particularly keen to understand what changes might be required to the BBC's contribution to the BBC ALBA budget to maintain the current level of originations and whether instead origination levels may need to be reduced if quality is to be maintained.

We have considered a range of future distribution options for BBC ALBA and BBC Radio

BBC ALBA is currently available free on satellite and (to a limited extent) cable, with some catch up on iPlayer and the MG ALBA website. In considering how public value might be maximised in the future the Trust has considered:

- whether the rationale for a linear channel remains or whether a more focused on-demand offering might deliver better public value
- whether broadband might offer an alternative means of distribution for a linear channel
- whether Gaelic programming from BBC ALBA should also continue to be broadcast on other BBC channels

The BBC Executive and MG ALBA are keen to expand the ways in which people can access the television channel, and in particular are committed to carrying the channel on Freeview. They have explored a number of ways in which this might be achieved, including buying space on a commercial multiplex (which could cost around £8-10m per year) or removing some existing BBC services in Scotland only.

The acquisition of spectrum was deemed to be too expensive by the BBC Executive; a decision the Trust supports. The Executive also ruled out the removal of either a red button (eTV) stream or BBC Parliament due to the likely loss of significant public value.

The Executive therefore recommended to the Trust that the BBC's 13 radio services be removed from Freeview, in Scotland only, for the periods when BBC ALBA is on air (usually between 17:00 and 24:00 each day).

Although the Executive recognises that removing BBC Radio services from Freeview would carry material risks, it is their view this option would have the least negative effects (on reach, impact, quality and value for money).

In assessing this option, the Trust has considered the following:

- The public policy position and level of political support in the UK and Scotland

- The views of audiences
- The principles and objectives set by the strategy review for distribution and universality
- The likely impact on both BBC ALBA and the radio services

There remains a strong rationale for a linear channel

The Executive's intention in entering into a partnership with MG ALBA was to increase the impact of the BBC's existing Gaelic provision, both to speakers and also more widely. In the Trust's decision to approve the launch of BBC ALBA, it recognised the cultural significance attached to a linear channel specifically (versus alternative options such as on-demand only), particularly in the short term. Many respondents to the public consultation carried out during the Public Value Test (PVT) raised this point, with the view that the simple existence of a linear channel would bring wide-ranging benefits, regardless of the level of use. However, the Trust was clear that for any proposition, including BBC ALBA, to achieve significant impact it must reach its intended audience. Furthermore, MG ALBA is relatively well-funded, principally by the Scottish Government and could provide a stand-alone service for the Gaelic-speaking community. One of the key benefits of the BBC's involvement is the ability to increase public value generated through building links to the BBC's wider its portfolio of services.

On balance the Trust, in its final PVT decision, concluded that it was not yet convinced that a linear channel was the most appropriate means of distribution for BBC ALBA. We also believed that the evidence of wider appeal beyond Gaelic speakers, based on latent interest, had not yet been translated into a wholly robust strategy for delivery. However, recognising that this latent interest existed, and the lower costs of distribution without DTT, we believed it appropriate for the Trust to approve launch of BBC ALBA on cable and satellite with immediate effect.

Since its launch the channel has delivered well on its range of aims and the Trust believes that evidence of broader appeal is now more robust than at the time of the public value test. As evidenced by the reach figures discussed in part 1 of this review, many people are accessing the channel. This is due in no small part to the efforts of MG ALBA and the BBC.

A number of stakeholders have also observed during the current consultation the benefit that a linear channel has brought for the Gaelic language and its culture.

Looking now at the cost of the current linear offering, in the PVT the Trust examined the value for money of the proposition in the context of the BBC's wider Gaelic provision. At the time of the PVT the BBC was already spending £7.2m on Gaelic content, attracting 77,000 users, at a cost of £93.50 per head.

Following the Trust's approval of BBC ALBA, the BBC now allocates £3.8 million to Radio nan Gaidheal and £4.7 million to BBC ALBA, a total content allocation of £8.5 million. Reach has significantly increased due to the television channel, which has around 170,000 users each week, at a cost of just under £28 per head. We are pleased that the impact of the channel has been to reduce the per head cost of the BBC's Gaelic provision and are confident that this will continue to fall as the popularity of BBC ALBA grows over time.

When considering the value for money of only the television channel, BBC ALBA is relatively expensive on a cost per user hour basis at 20.6 pence⁷. For comparison, BBC Parliament's cost per user hour is 14.1p while the cost for BBC Four is 14p, both relatively small channels in terms of reach similar to BBC ALBA. It is worth noting that these costs are lowered for the BBC by the partnership model, as the financial contribution from MG ALBA is not reflected in these figures. With the total running costs of the channel (excluding distribution) nearer £14m, were MG Alba's contribution included in these calculations the combined cost per user hour figure would be nearer 75p.

It is important to recognise that the fixed costs of broadcasting and programme-making remain high. Any targeted service is therefore to be expensive relative to more mass-market offerings. More useful comparisons are therefore with other indigenous language services, such as S4C in Wales and TG4 in Ireland. The cost of BBC-funded programming for BBC ALBA, at £19,000 per hour, is less than both S4C (£53,000 per hour) and TG4 (€29,000 per hour, which is around £25,000). We are also aware that the ongoing cable issues and lack of Freeview carriage are, to some degree, suppressing the potential audience for the channel, and so affecting the cost per user hour figures.

On the basis of the reach and impact achieved so far, the Trust is therefore confident that a linear channel remains an appropriate means of distribution for BBC ALBA in the medium term and that value for money is likely to improve over time.

Broadband is not currently an alternative to linear distribution

In October 2008, BBC ALBA launched on BBC iPlayer. Viewing statistics provided by the BBC Executive and MG ALBA show that around 20,000 programmes are accessed each week. The news programme An La is currently not available on iPlayer but is made available on the ALBA website. Since 21st September 2009 a BBC ALBA live stream has been available through http://www.bbc.co.uk/iplayer/playlive/bbc_alba/

Our public consultation elicited a 60–40 split in response to the question of whether broadband could be a viable alternative to Freeview, with the majority of people believing this is not yet the case. Those against pointed out that broadband speeds, particularly in the Highlands and Islands, were too low for video content and that as BBC ALBA is likely to have an older audience internet penetration was likely to be lower among potential users.

Relatively strong support for broadband as an alternative was also expressed by some in the public consultation, with respondents believing this was a more appropriate solution for minority interest services, although people who are not interested in using the service themselves were more likely to hold this point of view.

Take-up of broadband in Scotland remains relatively low; with Ofcom's latest figures suggesting around 30% of people currently have broadband.

The Trust believes that, in general, broadband consumption of audio-visual content is only going to increase. As such it is likely that broadband access will develop as a viable means of consuming BBC ALBA, particularly as IPTV options increase. However, we do not

⁷ BBC Annual Report and Accounts 2009/10. Calculated as content spend (exc. distribution and overheads) divided by number of user hours.

believe that it is appropriate for BBC ALBA to become a broadband-only service at this time.

Gaelic 'zones' should no longer be maintained on BBC Two

BBC Two Scotland shows Gaelic content in two slots: programming for general viewing is scheduled on Thursdays from 6pm, usually for around two hours; and an additional half an hour of pre-school children's programming is also scheduled each weekday morning from 8.30am. All programming shown on BBC Two is originated on BBC ALBA. The Executive's figures show that these programmes on BBC Two Scotland reach 51% of the Gaelic community each week⁸. A total of 38% of Gaelic speakers watched both BBC ALBA and BBC2. 35% watched BBC ALBA only, while 8% only watched BBC2 only, and 21% watched neither.

Cross-over in viewing to Gaelic output on BBC ALBA and BBC Two Scotland amongst Gaelic speaking adults with DSat⁹

Month	% of DSat survey returners who viewed:
BBC ALBA	72%
BBC ALBA & Gaelic on BBC2	38%
Only BBC ALBA	35%
Only Gaelic on BBC2	8%
Neither	21%

Over 60 per cent of respondents to our consultation were in favour of Gaelic programming continuing to be broadcast on BBC Two, although as the figures above make clear, the Gaelic zones on BBC Two generate little unique reach. It is apparent from our consultation that many people are frustrated by the effect of the specific Gaelic zones on the main BBC Two schedule. Equally, many organisations have expressed concern that removing Gaelic programming from BBC Two would only serve to marginalise the language and reduce the impact of BBC ALBA itself.

The Trust understands these concerns and has explored with BBC ALBA staff whether more sensitive scheduling between BBC Two and BBC ALBA, whereby the best BBC ALBA content with most Scotland-wide resonance is carried flexibly at appropriate points in the BBC Two schedule, can be achieved.

Recognising the success of BBC ALBA to date, we are amending the BBC Two Scotland service licence so that it is no longer specified as the "key channel for Gaelic language programming...[or] programmes of particular interest to the Gaelic-speaking community." This role is now rightly fulfilled by BBC ALBA.

It is clear that the current system of Gaelic 'zones', while not a requirement set by the Trust, elicits strong criticism from some viewers and so we are asking the Executive to

⁸ Lèirsinn September 2008 – March 2009

⁹ Lèirsinn

consider whether more sensitive scheduling across the whole weekly BBC Two schedule might better meet the needs of audiences in Scotland.

BBC ALBA should, in principle, be carried on Freeview

The BBC Executive believes there is a strong RQIV case for DTT (Freeview) distribution of BBC ALBA.

Weighing the evidence presented to it, the Trust supports the ambition that BBC ALBA should be carried on Freeview. It is important that the BBC's services are available free from subscription to all audiences, though we of course recognise the restrictions placed on this ambition by budget restrictions and spectrum scarcity.

Our final decision in the PVT approved BBC ALBA for carriage on satellite and cable immediately, while Freeview carriage was given only conditional approval dependant on the outcome of this review. Given the encouraging performance of BBC ALBA so far, as set out in Part 1 of this review, we are satisfied that approval for Freeview carriage should no longer be conditional on a successful Trust review. As such the BBC ALBA service licence will be amended accordingly.

However, this decision does not resolve the difficult issue as to how this might be achieved. Our detailed analysis of the Executive's preferred option (the removal of the BBC's radio services) is discussed in greater depth below.

We have assessed the BBC Executive's proposed solution

There is strong public policy and political support for the proposal in Scotland

In Scotland, political support for Gaelic and particularly MG ALBA and BBC ALBA is very strong, as evidenced by a recent debate which led to unanimous support for BBC ALBA to be carried on Freeview.

The First Minister, Alex Salmond MSP, has written to the Trust expressing the Scottish Government's strong support for BBC ALBA to be made available on Freeview, whilst acknowledging that there is some downside for radio listeners. The Scottish Government's response, from the Minister for Culture and External Affairs Fiona Hyslop, while expressing support for Freeview carriage, also asked for a more satisfactory long-term solution to be found which does not involve the removal of the BBC's radio services.

Pauline MacNeill for Labour and Ted Brocklebank, on behalf of the Scottish Conservatives, have also expressed strong support, as have Highlands and Islands MSPs John Farquhar Munro, Peter Peacock, Rhoda Grant and David Stewart. Alan Reid MP and Angus MacNeil MP have also expressed their support.

MG ALBA, the BBC's partner in delivering BBC ALBA, is funded by the Scottish Government and is the majority funder of the channel itself. Scottish Ministers demonstrated their commitment to Gaelic by including significant increases for Gaelic development in the Spending Review 2007.

It is clear that the proposal to carry BBC ALBA on Freeview has gained unanimous cross-party support in Scotland.

The views of audiences are more balanced

The issue of Freeview carriage for BBC ALBA is clearly an emotive one, as respondents to our consultation expressed strong – and opposing – views.

The Trust received hundreds of ‘cut out and post’ messages from a newspaper campaign in favour of carrying the television channel, while nearly 1,500 people have signed up to the ‘Get ALBA on Freeview’ Facebook site. While a useful barometer of support for BBC ALBA, which provides further evidence of the impact the channel has had in a short space of time, these responses do not tackle the more difficult issue facing the Trust; the trade off between radio and television on Freeview.

The Trust’s own public consultation has revealed a substantial split in views as to whether BBC ALBA or BBC radio should be carried in the evenings on Freeview in Scotland. While around 70 per cent of respondents were in favour of BBC ALBA and 30 per cent the radio stations, it is clearly an emotive issue for both supporters of BBC ALBA and the Gaelic language and culture, and those who are users of the BBC’s radio services. It is also clear that the respondents to our consultation are not reflective of the Scottish population as whole, with over 20 per cent claiming to be speakers of the language and over 25 per cent learners, versus the actual number of speaks in Scotland (between 2 and 3 per cent of the total population). Among speakers, support for BBC ALBA was over 90 per cent, while amongst non-speakers support for the radio stations was also over 90 per cent.

Respondents expressed a number of reasons behind their views – mainly either simply support for BBC ALBA or their view that the channel was already poor value for money. Some people expressed the view that they had been sold Freeview on the basis that radio was included, and that this should not now be changed while others highlighted that the facility to use Freeview to record and catch-up on radio programming is not available through traditional radio sets. Others believed that Gaelic, as a minority language, deserved greater support and that television channels should always be carried in preference to radio services on the Freeview platform.

A common theme was that people would rather see BBC ALBA carried than other channels already on Freeview, namely shopping and adult channels, or the space currently occupied by TeleG. However, options regarding the organisation of third party space on Freeview are not within the gift of the BBC Trust or the BBC. For this reason we are unable to implement the removal of these third party channels.

In order to complement the public consultation and to reflect a more numerically representative snapshot of Scottish public opinion, the Trust commissioned market research company TNS-System Three to conduct a Scotland wide omnibus survey of just over 1,000 adults aged 16+ in January 2010. In this survey, 23% of people asked would prefer BBC ALBA to be broadcast on Freeview, whereas 17% would prefer the BBC’s radio stations to remain on Freeview instead. 16% were equally interested in both options; but the majority of respondents (41%) were not interested in either option. When tested for statistical significance at the 95% confidence interval, the figure of 23% for people who would prefer BBC ALBA does emerge as genuinely higher than the 17% who would prefer the BBC radio stations, however the difference between the numbers is clearly very small.

The Trust carried out a piece of deliberative work as part of the wider Strategy Review looking at issues around distribution and universality. The specific question of BBC ALBA’s Freeview carriage was assessed as part of this work. When considering specific dilemmas such as this, the majority of participants opted for the solutions which provided the

greatest good for the greatest number. Nevertheless, many did feel that the unique content of BBC ALBA merits a place on Freeview.

Many participants, and especially those most geographically distant from the North of Scotland, were inclined to dismiss the need for BBC ALBA to be available via Freeview, as it is a niche service (of very little relevance to them) and already available to those who really want it via other platforms (e.g. Sky, Freesat). Some others, however, felt that as a point of principle a channel like this should be broadly available. Having deliberated on the issues, however, some of these people did change their minds, and the argument of the 'greatest good for the greatest number' tended to gain more ground the longer the issue was debated.

It is evident that neither BBC ALBA nor the BBC's radio stations have garnered Scotland-wide support for the evening Freeview slot. It is also clear that audiences do not have consistent views regarding the basis on which the BBC should make such decisions.

The principles and objectives set by the strategy review for distribution and universality offer room for interpretation in this instance due to the complexity of the decision

In its final conclusions on the Strategy Review, the BBC Trust agreed the following principles the BBC should use when considering issues around distribution and universality:

Seeking to ensure that every household has convenient access to each relevant BBC service, free at the point of use.

Doing so in a way that: safeguards easy, accessible open routes to BBC content; sustains quality free-to-air platforms; provides value for money to licence fee payers; secures baseline standards of quality, brand attribution and due prominence; meets legal obligations; is technically feasible.

The availability of BBC ALBA on free-to-air satellite, both from Freesat and Freesat-from-Sky, means that every household in the country has access to BBC ALBA on at least one platform free at the point of use.

We also consider satellite a sufficiently developed technology that the further objectives are also fulfilled. This is highlighted by the BBC's continuing commitment to Freesat as a free-to-air platform.

However, looking at the Executive's preferred option of removing the radio services from Freeview in Scotland during the hours ALBA is broadcast, the same argument can be mounted; the radio services will remain available to audiences, free at the point of use, on a combination of FM, AM, MW, DAB, satellite and the internet.

The situation, then, is that while BBC ALBA is currently already distributed in line with the broad principles and objectives established through the Strategy Review the question remains whether the changes proposed by the BBC Executive should be implemented.

An analysis of the likely impact on both BBC ALBA and the radio services

While BBC ALBA has garnered strong political support in Scotland there is no such consensus of audience views. Both the current approach to distribution and the

Executive's proposed alternative fulfil the BBC's obligations regarding distribution and universality as set by the strategy review. The final area we explore here is the likely direct impact on the users of the affected services.

Likely impact of carrying BBC ALBA on Freeview

Currently 43% of people in Scotland have access to satellite, providing 148,000 viewers for BBC ALBA. This means around 7.5% of those with satellite in Scotland are choosing to watch BBC ALBA. A further estimated 20,000 people do not have access to satellite in their homes but do watch BBC ALBA by other (unspecified) methods, taking the total viewing number to 168,000¹⁰.

34% of people in Scotland currently have access to Freeview only. Were the same proportion of these people to choose to watch BBC ALBA the Executive estimate this to be a further 117,000 viewers¹¹.

Currently 8% of homes are cable-only in Scotland. Were BBC ALBA to also be made available on cable, and again assuming a similar proportion of viewing as achieved on satellite, the Executive estimate that cable carriage would deliver a further 28,000 viewers¹².

11% of homes in Scotland have both Freeview and cable, giving a further 38,000 viewers¹³.

Finally, around 4% of homes are yet to convert to digital television. When switchover is complete later next year, assuming the all choose to convert to digital and all choose Freeview as the easiest and cheapest option, this delivers a further 14,000 viewers.

These various gains mean that the BBC Executive's total estimate is that BBC ALBA would gain just under 197,000 extra viewers if it were carried on Freeview and also on cable, or 139,000 on Freeview only. They estimate that, based on the average ALBA viewer watching 2.14 hours each week, this would result in a further 421,000 hours of viewing each week¹⁴.

The BBC Trust broadly agrees with the BBC Executive's analysis, with only the following differences.

We believe that the estimates of increased reach are on the optimistic side. As the Executive paper notes, reach in the Highlands and Islands far exceeds that in the rest of Scotland. While this may in part reflect the concentration of satellite versus Freeview, it also broadly mirrors the distribution of the Gaelic speaking population (we have not been provided with exact population distributions). We believe it is likely therefore that, notwithstanding the channels progress in appealing more widely than Gaelic speakers, the channel's ability to maintain the same level of viewing, around 7.5%, across mainland Scotland is less likely.

¹⁰ Source of BBC ALBA reach: TNS SOS, 15 minute reach for 12 months ended Sep10. Source of Platform data: BARB Establishment Survey Q3 2010

¹¹ Projection from DSat data from the BARB Establishment Survey

¹² Projection from DSat data from the BARB Establishment Survey

¹³ Projection from DSat data from the BARB Establishment Survey

¹⁴ BBC 6 Month stats for period ending 30th September 2010 compiled from data provided by Lèirsinn and TNS

However, even at a more modest level of penetration in the rest of Scotland of around 5% the uplift is still likely to be between 93,000 (on Freeview only) and 131,000 viewers (on Freeview and cable), equating to around 280,000 hours.

We also believe it is reasonable to assume that the current c.20,000 people without satellite who seek BBC ALBA out would simply use whichever service they already have in their home (whether Freeview or cable). As such, this should be discounted from the estimate above, giving an increase of between 73,000 and 111,000 viewers, or around 238,000 hours at the top end of this range.

This increase on top of existing viewing would result in total viewing levels of between 261,000 and 279,000 people and 597,000 hours.

At this higher level of viewing, and assuming that the BBC's content investment remains constant, cost per user hour would be reduced from just over 20p to around 13p, more in line with the BBC's other smaller channels. Including MG Alba's contribution, cost per user hour would fall from around 75p to around 45p.

Beyond the looking at the direct number of people affected by carrying BBC ALBA on Freeview, there are also more indirect impacts. The status offered by the television channel being offered on all the main television platforms is likely to further increase the normalising affect of the service. The uplift in the status of the Gaelic language is likely to be further enhanced as a result.

Likely impact of removing BBC radio from Freeview

The BBC Executive estimate that currently 165,000 people listen to the BBC's radio services via digital television between the hours of 17:00 and 24:00 each day (the period affected by the proposed change). These people listen to a total of 320,000 hours each week. Of these, around 51,000 are likely to be on Freeview (the rest being via satellite and cable), equating to around 119,000 hours of listening¹⁵.

Again, the Trust broadly agrees with this headline statistical analysis.

The Executive also believe that many of these listeners will not in fact be 'lost' as they will be able to access the BBC's radio services by other means. This is primarily because the majority of all radio listening is to analogue stations, meaning that listeners are likely to be able to easily use an alternative FM listening device. In addition, they estimate that around 15,000 of the 51,000 affected already have DAB digital radios and so could easily consume the BBC's radio services by this means. Of the remaining 36,000 the Executive believe around 31,000 are able to receive the DAB signal and so could choose to buy a DAB radio. The Executive estimate that only around 4,000 people would therefore have no radio-based access to radio services, although they point out that around 2,500 of these could gain access via the internet¹⁶.

The Trust, in contrast, is more cautious about the degree to which people will choose to consume the BBC's services by other methods. While DAB ownership stands at over 30% in Scotland actual usage is nearer 15%. It does not necessarily follow therefore that ownership of the technology guarantees a shift in listening behaviour. We also

¹⁵ RAJAR Q1 2010, 3 month weight

¹⁶ RAJAR

acknowledge that people may choose not to purchase extra equipment in difficult economic conditions (the same goes for purchasing satellite to access BBC ALBA).

We also believe it appropriate to discount the internet as an alternative; if some people find satellite to access BBC ALBA inconvenient it is reasonable to assume that radio listeners would feel the same about the internet.

The Executive's initial submission also looked at the arguments for and against the removal of the radio stations beyond just the numbers of people likely to be directly impacted. Among the concerns they raise is that BBC radio services already underperform in Scotland compared to elsewhere in the UK (56% reach vs. 66% pan-UK reach) and that removing radio from Freeview may increase this gap. They also highlight that audiences particularly at risk include those who are disproportionately heavy consumers of radio through digital television; younger audiences; women; ethnic minorities and C2DEs (who are also under-served by BBC radio as a whole).

While it is not possible to develop an accurate picture of the likely impact station by station, assuming relatively equal impact across all stations, Radio 5 Live (and 5 Live Sports Extra) and Radio 7 are the most problematic, given the lack or poor quality of Medium Wave and DAB coverage in Scotland. Looking at all the impacted stations, it is unsurprising that Radio 1, Radio 2 and Radio 4 are also heavily impacted, while BBC Scotland is also likely to be hit hard in terms of listeners lost.

The impact of the change on radio listeners clearly goes beyond the headline numbers. While the radio services would be removed at a similar time each day, in order to not restrict ALBAs scheduling the timings of carriage would undoubtedly vary and so audiences would not be clear what their access options were at any given time on any given day.

As some of the consultation responses pointed out, the use of Freeview radio coupled with a video recorder (PVR) in order to 'time shift' viewing would be restricted, lessening people's access to BBC radio content. Of course, the iPlayer is an alternative here but, as for BBC ALBA, limited by take-up and speed issues.

There are also potential indirect impacts from the change recommended by the Executive. One potential negative impact if the radio stations to be removed is on the public perception of the BBC, BBC ALBA, and Gaelic more broadly. It is clear that many people in Scotland feel very strongly that 'depriving' them of radio is an unacceptable solution. We are therefore concerned by potential for longer-term damage to BBC ALBA and the BBC's reputation in Scotland.

Finally, the decision announced as part of the strategy review to build out further DAB will, over time, reduce further the number of people unable to access the BBC's radio services by this platform.

A summary of the likely impacts

The following table provides a summary of the likely impacts of the proposed changes:

	Executive estimates	Trust estimates
Increase in number of BBC ALBA viewers	197,000	73,000 to 111,000
Increase in BBC ALBA viewing hours	421,000	238,000
Decrease in number of radio listeners	4,000 to 51,000	51,000
Decrease in radio listening hours	119,000 (of which c.30,000 are to digital-only stations)	119,000
Net user impact (ALBA gain vs. radio loss)	Gain of 146,000 to 193,000 users (equivalent to a gain of around 300,000 hours)	Gain of 22,000 to 60,000 users (equivalent to a gain of 119,000 hours)

There are few ways in which the negative impact on radio listeners can be minimised

The Trust has been exploring what actions might realistically be taken to mitigate the negative impacts of removing the BBC's radio services from Freeview in Scotland while ALBA is on air, and how public value might be maximised. Unfortunately options appear limited. The most obvious option is to launch an accompanying publicity campaign to inform audiences of the removal of radio and the alternative means of access available.

We also asked the Executive whether there were any technical solutions that might limit the impact, for instance, an ability to restore some radio stations at a later date through spectrum efficiency, faster build out of the DAB network in Scotland to increase coverage, or potential use of then so-called Scottish 7th multiplex. Unfortunately we have been informed that these options are not viable in the foreseeable future. The Trust expects the Executive to continue to explore whether the development of technologies which use spectrum more efficiently might enable some radio services on DTT in Scotland to be maintained alongside BBC ALBA in the future, subject to the normal value for money and public value considerations

The BBC's radio services should be removed to make space for BBC ALBA on Freeview

The decision facing the Trust is a difficult one. As explored above, arguments have been made for both BBC ALBA and the BBC's radio services to be carried on Freeview, with responses to the Trust's public consultations showing a balance of views. Our best estimate of the likely direct impact suggests that the net result of carrying BBC ALBA instead of the radio services is increased usage of the BBC's services as whole. This is of course offset, to some degree, by the indirect impacts discussed above.

On balance we have concluded that in light of the likely positive direct impact of change, the strong views expressed by the Scottish Government and the Scottish Parliament and the strategic preference of the BBC Executive, that we should approve the removal of the BBC's radio services from Digital Terrestrial Television for those periods when BBC ALBA is on air.

We will make some changes to the relevant service licences

To implement this change the Trust will need to amend the service licence for both BBC ALBA and the BBC's radio services. The Trust has conducted a clause 25 assessment to determine whether such action would constitute a significant change and so carry a presumption of a Public Value Test. We have concluded that the changes required are not significant. Our clause 25 assessment is published alongside our conclusions.

We will also, in accordance with the BBC Executive's own forecasts submitted during the PVT, increase the reach target for BBC ALBA to 500,000 people watching for 15+ minutes each week. At this level of viewing we would expect accurate performance measurement via BARB to be available, and so look to the Executive to implement this in order to provide evidence for BBC ALBA's service review in due course.