

# Annex 1: BBC Executive proposals for changes to current policy and guidelines

## Summary Recommendation:

BBC Executive proposes the following changes to the Syndication policy:

1. Recognise that BBC content should always be shown in appropriate context, so that BBC brand credit is not put at risk. The BBC catalogue of full programmes should not be made available in a disintermediated way but instead under appropriate BBC brands.
2. Clarify the importance of value for money for prioritising syndication across platforms and devices.

BBC Executive proposes the following changes to the Syndication guidelines:

1. Adopt the framework contained in this paper for syndication activity and explicitly separate the various types of syndication in the Trust guidelines
2. Outline management responsibility for defining the portfolio of syndicated activities and the type of syndication possible
3. Endorse BBC control of syndicated products through the release of a coherent set of standard versions and prohibit self-build by third parties
4. Management to publish clear conditions (including reach thresholds) for BBC investment in building bespoke versions of the syndicated services
5. Adopt separate guidelines for linking and metadata, outside content syndication guidelines
6. Make clear the process and accountability for syndication within the BBC – setting up a single address for external enquiries
7. Retain the six monthly update as the primary vehicle for Trust supervision

## I. Introduction

The BBC's syndication activity is based on the BBC Trust's policy on syndication, published in 2007. The principles underpinning this remain relevant:

- Content should only be syndicated where this represents the best interests of licence fee payers
- In general, content should be made available as widely as possible, although in some circumstances syndication may not be appropriate, e.g. depending on market impact, the possibility of adversely affecting delivery of Public Purposes and value for money

- The BBC Executive to comply with high-level principles, including non-discrimination, non-exclusivity, platform neutrality and free access at the point of use. We would assume this now includes compliance with the competitive impact principle ('CIP')

The policy allows the BBC to prioritise effort and the Trust also states “it is important not to put in place bureaucratic procedures that are disproportionate and which will unduly hamper and obstruct the BBC Executive and its commercial partners from concluding new syndication arrangements which may be of considerable public value”

Additional detail was laid out in the management response in 2007.<sup>1</sup> Since the syndication policy and guidelines were published in 2007, both the technological landscape and the commercial background have changed materially. In particular:

- Our portfolio of activities have changed, most significantly with the success of the BBC iPlayer;
- More companies are requesting access to iPlayer and the underlying BBC content;
- New models of content creation and consumption have become mainstream i.e., development and distribution of applications on all platforms including TV and mobile

These changes mean that changes to the policy and guidelines are needed. Clarification may also be needed around how the guidelines are applied. It is therefore important that all proposed changes and clarifications are set out together. This paper represents the BBC Executive’s view on appropriate changes to the existing policy and guidelines

## **2. Principles of BBC activity**

When undertaken effectively, syndication builds public value, primarily through driving reach to public service content:

- Prominence across all major platforms is critical to public service content remaining a central component of people’s media consumption, e.g. BBC I on Sky, iPlayer on Nokia
- Syndication to third party sites can increase the impact of BBC content by reaching underserved audiences that don’t typically engage with BBC Online and introduce them to new content, e.g. podcasts on iTunes
- Syndication can build the BBC brand, often without introducing material content to users, for example promotional syndication of short clips
- Syndication can return users to key BBC destinations

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<sup>1</sup> [http://www.bbc.co.uk/info/policies/pdf/syndication\\_guidelines.pdf](http://www.bbc.co.uk/info/policies/pdf/syndication_guidelines.pdf).

### ***Building and protecting key destination brands to deliver public value***

The potential for syndication to drive reach needs to be balanced against the need to secure credit back to the BBC, especially in some cases when audiences do not realize that the content comes from the BBC. This means that we place some boundaries around syndication.

The BBC needs to strike a balance between syndicating rich media via commercial media brands and building strong BBC destinations, both in linear and on demand. BBC destinations offer context for BBC content, allowing discovery of niche and surprising content, provide good value for money and ensure that the BBC retains control of editorial compliance and branding. On linear this has been done by effective scheduling within destination channels. In on demand, the user experience, context and presentation layer are key to delivering public value, things which iPlayer does well. BBC controlled destinations also allow the BBC to set quality, for example sophisticated variable bit rate distribution for iPlayer and represent minority genres and activities.

These benefits are directly proportionate to the proportion of viewing in a BBC context. Where content is available outside a BBC destination, the audience has no direct contact with the BBC and there is no guarantee of a high quality experience (for the reasons outlined above) nor to respond to people's comments or complaints. We believe it likely that the most popular third party aggregators will be those that promote a catalogue of more limited range and depth than the BBC portfolio. The BBC aims to keep some control over how its content is presented so that its full range of public service programming remains visible, including, for example, programming representing the UK, its nations, regions and communities.

We recommend that the BBC catalogue of full programmes should not be made available in a disintermediated way but instead under appropriate BBC brands, just as the BBC does not offer the opportunity for third parties to create a bespoke linear schedule from their preferred elements of the BBC and competitor schedules on any given day. This does not however prevent scroll back within the context of a linear channel, nor does it prevent discovery of individual programmes in search results on internet connected televisions. The BBC therefore asks the Trust to amend the policy to recognise that BBC content should always be shown in appropriate BBC context.

### **3. Framework for syndication activity and summary of management approach**

There are two main forms of syndication

- *Across platforms / devices*: where the BBC makes its content and services available on different platforms to ensure audiences can access them. Syndication of iPlayer to third party platforms and linear channels on Virgin media are good examples of this.

- *Across multiple destinations on the same platform*: for example News clips available on partner sites at the same time as on the BBC site. This is currently most relevant in the online space though could potentially be possible on other platforms.

Widely differing technologies may deliver similar audience outcomes especially when syndicating across platforms. For example, the iPlayer on Virgin (entirely bespoke build and handover of content), Wii (re-usable Flash player) and PS3 (simple link to a 'big screen' version of BBC iPlayer) are similar from the user perspective even though the underlying technology used to deliver them are very different. These should all be considered syndication.

The BBC syndicates a wide variety of content in a wide variety of forms. There are five main types of activity that the BBC could syndicate:

### ***Aggregator products***

Aggregator products based on an aggregation of a large volume of content into a recognisable branded service (rights permitting). Currently, this means the iPlayer, but could in future include other on demand and archive services.

These should be widely syndicated across platforms and devices. The BBC proposes a system based on standard technological versions, which third party companies would be able to access with light touch agreements, in order to manage this in a cost effective way. Where large platforms or device manufacturers require non-standard versions, exceptions may be made based on value for money grounds.

### ***Linear channels***

Linear channels are effective branded propositions which successfully guide audiences to highly valued content and help to ensure effective attribution to the BBC. They are already widely syndicated on broadcast platforms and there is potential benefit in syndicating them more widely online providing that they are presented in appropriate context. However, there are also risks and costs in syndicating more widely. Any decision would need to be taken in the light of impact on BBC's delivery of its public purposes, on rights holders, reach, audience impact and value for money. This requires a measured approach and there may be different approaches taken on radio and television taking into account relevant rights considerations in particular the UK/Global boundary.

### ***Editorially selected packages***

Packages (live or on demand) selected on an editorial basis to fulfil specific editorial ambitions which can take the form of one off syndication or a continuously updated package, for example through widgets, though other technical options may be possible.<sup>2</sup> We plan to expand syndication of a focused range of editorially selected

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<sup>2</sup> In this context, by widget we mean a wrapper for content bundles, viewed via an embedded player, served by the BBC and providing BBC attribution. The type of technology used to secure attribution and context is not as important as the content selection. Widgets can in principle deliver both editorially selected content and promotional content.

packages across platforms and make them available on standard terms and conditions to other online users.

### ***Promotional clips***

Management plan to continue to circulate promotional clips (with links back to BBC content) widely to draw audiences to BBC content and services.

### ***Navigation and data***

Syndication of assets that are not content. For example, News headlines to iGoogle, branded links as part of navigation to PS3 and other connected devices supported by a browser.

The BBC is committed to openness in the distribution of information about its content and seeks both to drive traffic from the BBC and to encourage third parties to highlight and share information relating to the linking. As such, the distribution of such assets for promotional purposes should be encouraged, ensuring third parties link back to BBC content (and where appropriate using data sharing to achieve this goal).

## **4. Key changes to the syndication policy and guidelines**

Taken as a whole, we believe the approach detailed above will create a strong positive ecosystem for the BBC and audiences, rooted in strong accessible destinations, spread over multiple platforms, supported by targeted activity and surrounded by open linking, promotion and data sharing.

The current syndication process is not consistent in all areas with this activity, although many aspects are permitted within the syndication guidelines. The following proposed changes seek to:

- Clarify the approach for third parties
- Streamline the process for BBC activity
- Ensure the appropriate level of supervision from the BBC Trust and engagement from management (particularly over what constitutes a 'significant' change)

None of these should be read to contradict the Trust's requirements to ensure non-discrimination, commercial terms etc. Similarly, management will continue to have responsibility for editorial and branding controls, and will ensure that appropriate governance and referral systems are in place for all types of syndication activity.

### ***Changes to the Syndication policy***

There are two areas of clarification proposed to the BBC's syndication policy:

1. In line with the principles above (section 2), the policy should recognise that BBC content should always be shown in appropriate context, in order that BBC brand credit is not put at risk. The BBC catalogue of full programmes should not be made available in a disintermediated way but instead under appropriate BBC brands
2. The amended policy should make clear the importance of value for money for prioritisation of management decisions and the mandate management to make clear its expectations to the wider market

### **Changes to the Syndication guidelines**

The syndication guidelines currently contain extensive detail about the terms by which the BBC will enter into agreements with third parties (and when they should). The following changes are aimed at clarifying the guidelines for internal and external use.

1. The complexity of syndication issues and in particular the variety of types of syndication mean that a 'one size fits all' model is unlikely to be appropriate in future. In particular, there should be separate (though linked) approaches for aggregator products, linear channels, editorially selected content and promotional content.

*New guidelines should adopt the framework contained in this paper for syndication activity and explicitly separate the various types of syndication in the guidelines.*

2. The precise bundles of content made available for syndication are focused on delivering the BBC's public purposes. The BBC needs to retain control of deciding appropriate bundles of content in order to control cost and ensure fairness of approach.

In addition, the guidelines should acknowledge legacy issues with the existing portfolio of syndication (and how these do not set a precedent for the BBC).

*The guidelines should outline management responsibility for defining the portfolio of syndicated activity and the type of syndication possible*

3. For aggregator products, the BBC currently has material concerns over the cost of reversioning for different platforms and devices. The BBC plans to focus on delivering solutions based on standard versions and will publish a clear process for how the decisions on which standard versions to build are made. This will include market impact assessment where appropriate.

An alternative potential solution would be to allow third parties to build their own delivery mechanisms for iPlayer – so called 'self-build'. This would mean variants of iPlayer built on different underlying technologies controlled by third parties and not the BBC. The BBC believes that self-build would compromise the ability of the BBC to ensure quality, especially around upgrading of the

products. There would also be a significant cost to the BBC to comply self-build activity and subsequent upgrade. The BBC will still work with third parties to adapt standard versions where appropriate, but ownership should remain with the BBC. Where it is more cost-efficient to take advantage of third parties' technical resource, the BBC will do so.

*Endorse BBC control of syndicated activity through releasing a coherent set of standard versions; prohibit self-build by third parties*

4. The current policy recognises the need for value for money considerations to play a part in syndication decisions, but gives no specifics as to thresholds. The BBC wishes to clarify that BBC management should have responsibility for clarifying value for money thresholds where appropriate. The BBC should publish clear conditions for syndication, which may vary between products and platforms. Minimum size thresholds may be part of that and we seek the right to publish guiding thresholds with each type of syndicated activity, indicating to potential partners what scale would be needed from them for the BBC to consider bespoke investment. These should be CIP tested.

These thresholds apply to the BBC's investment, not its activity. Where third parties are willing to meet the cost of this investment, these thresholds will not apply; where a proposition fails a VfM test, the party could invest their own resource to ensure this is acceptable to the BBC. In all cases, third party investment will only be taken if the BBC can absorb the workflow within its roadmap. Development and improvement of BBC standard versions should not be jeopardised by this requirement.

*Guidelines should ensure management have responsibility for publishing clear conditions (including reach thresholds) for BBC investment in building bespoke versions of the syndicated activity*

5. Currently, the guidelines are wide ranging, including similar governance for links and metadata as for more substantive content. We believe this is inappropriate, overly restrictive and combines different issues in one regulatory framework. Linking and metadata should be decoupled from the syndication guidelines and governed separately.

*Adopt separate guidelines for linking and metadata, outside content syndication guidelines*

6. *Make clear the process and accountability for syndication within the BBC – setting up a single address for external enquiries.*
7. The existing structure of six monthly updates to the Trust allow the executive to report effectively and frequently to the Trust on the progress of plans in each area. We propose this remains the case and all other decisions that do not affect service licences are dealt with by management on a regular basis. The Trust will have ample time to engage with the issues at each six monthly update. Of course, management would still be bound by standard requirements around competitive impact and the principles of syndication, but would be able to launch compliant syndication activity without lengthy delay.

Retain the six monthly update as the primary vehicle for Trust supervision