

Caroline Thomson

17 October 2005

The BBC and the future

A Public Purpose in a changing world

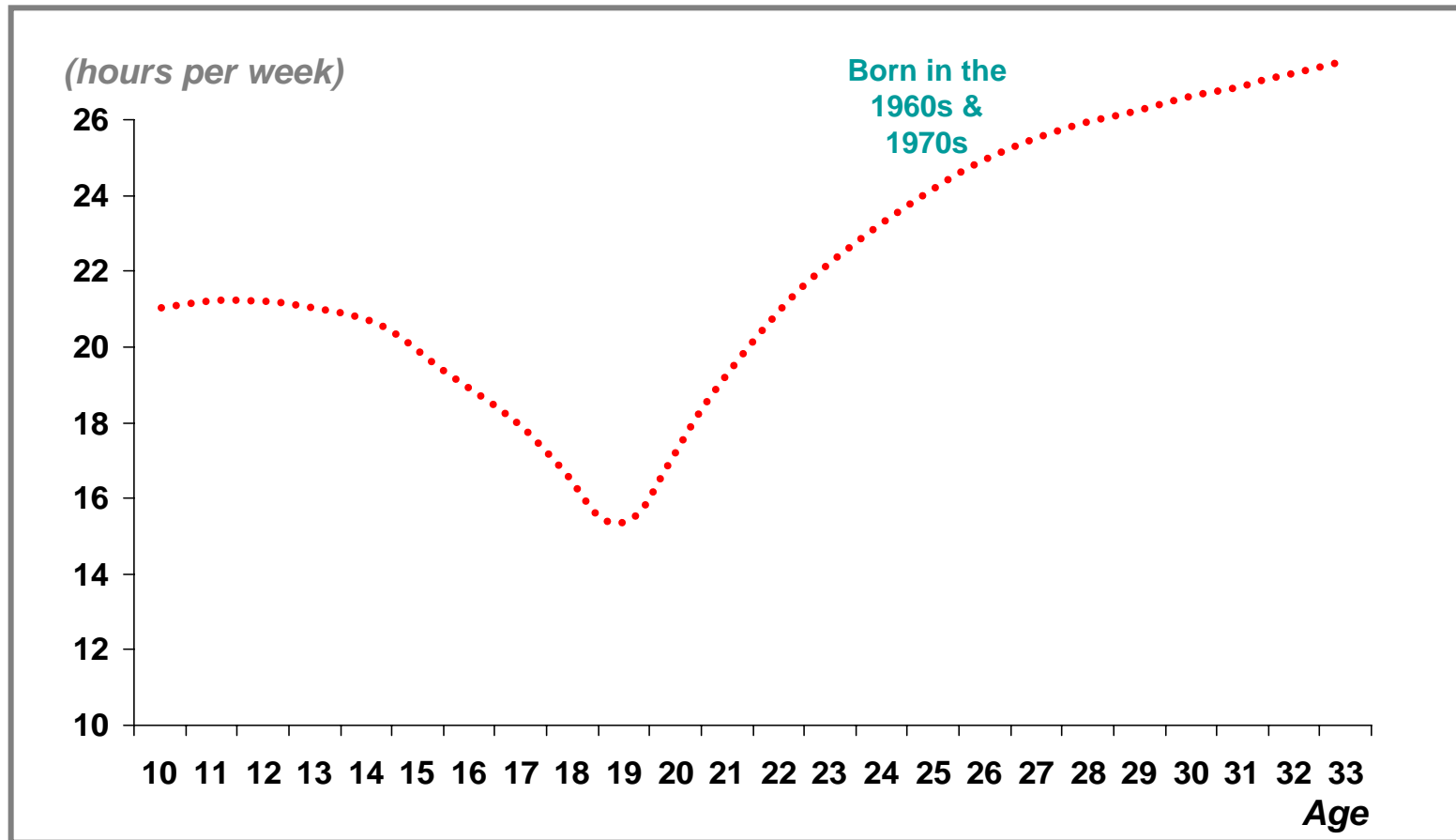
1. The Changing World

New media is becoming more and more significant in people's lives

- During the last decade TV viewing has remained flat at around 26 hours per week
- But this hides a significant change

Those born before the 80s have similar viewing patterns

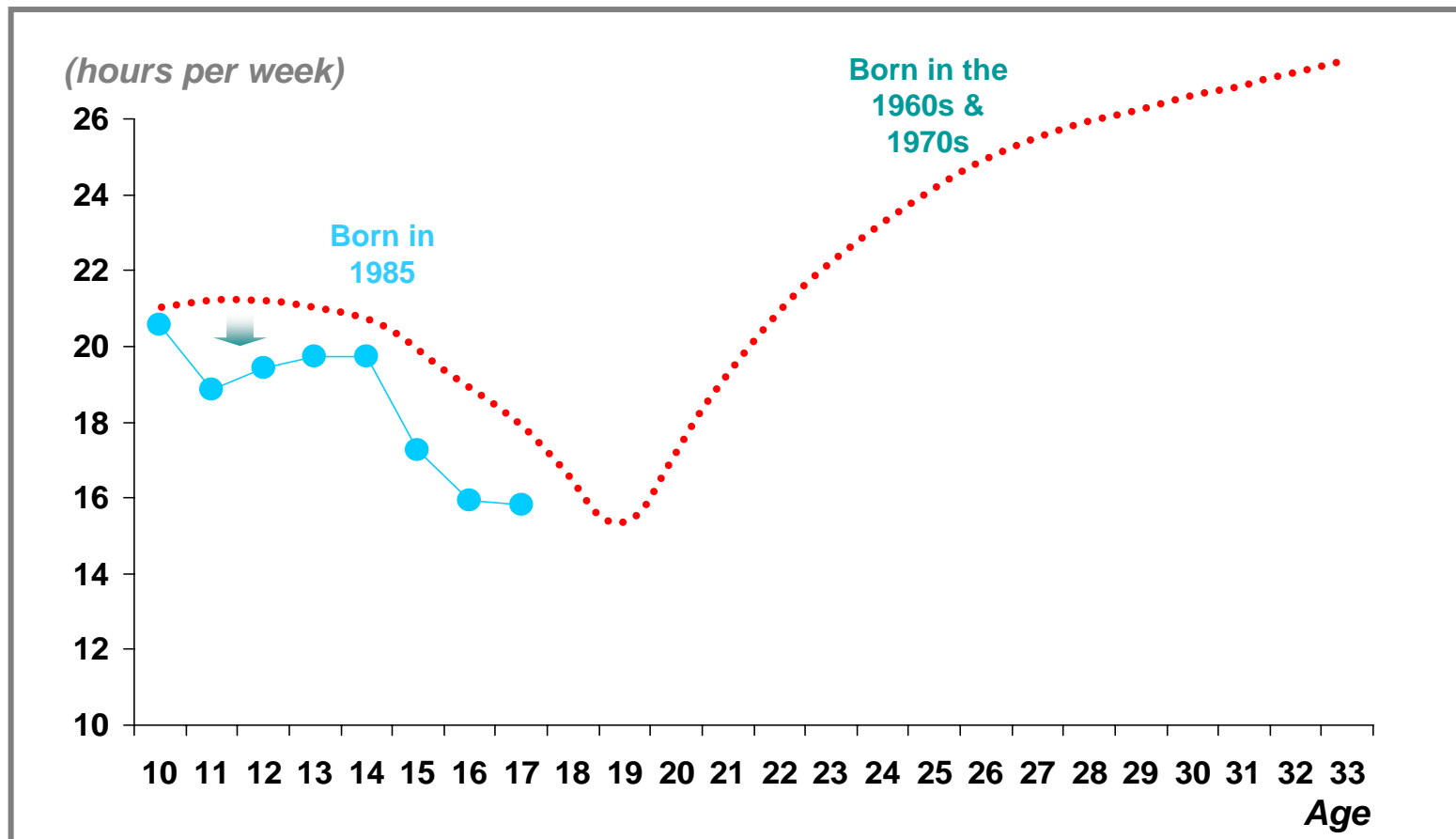
TV Consumption as viewers age



Source: Digital Homes Project analysis of BARB data, 1995 Q4 to 2002 Q4

...those born in 1985 watch an hour less TV...

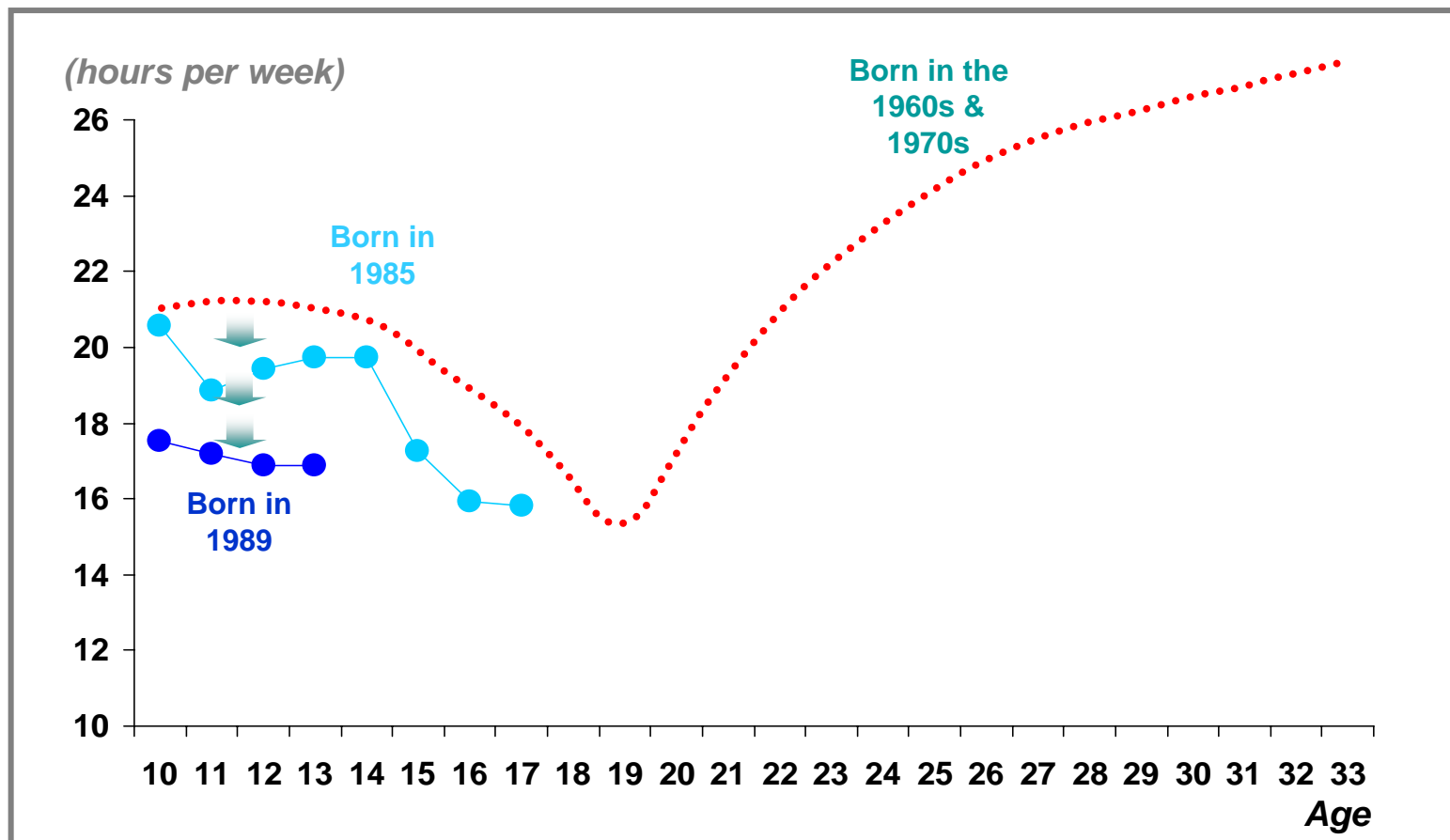
TV Consumption as viewers age



Source: Digital Homes Project analysis of BARB data, 1995 Q4 to 2002 Q4

...but people born in 1989 watch 3 hours less TV

TV Consumption as viewers age



Source: Digital Homes Project analysis of BARB data, 1995 Q4 to 2002 Q4

New media is becoming more and more significant in people's lives

- During the last decade TV viewing has remained flat at around 26 hours per week
- But this hides a significant change



- Meanwhile, radio listening has increased by 20% to nearly 21 hours per week
- The Internet is now used for about 6 hours per week by those online....

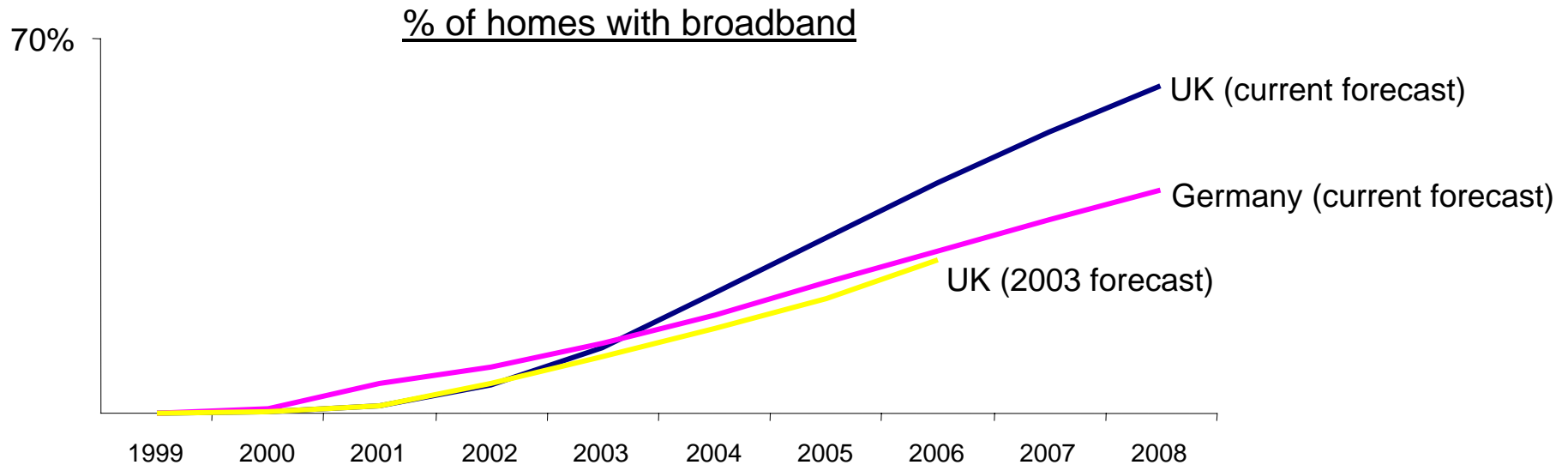


- ...and new devices are arriving

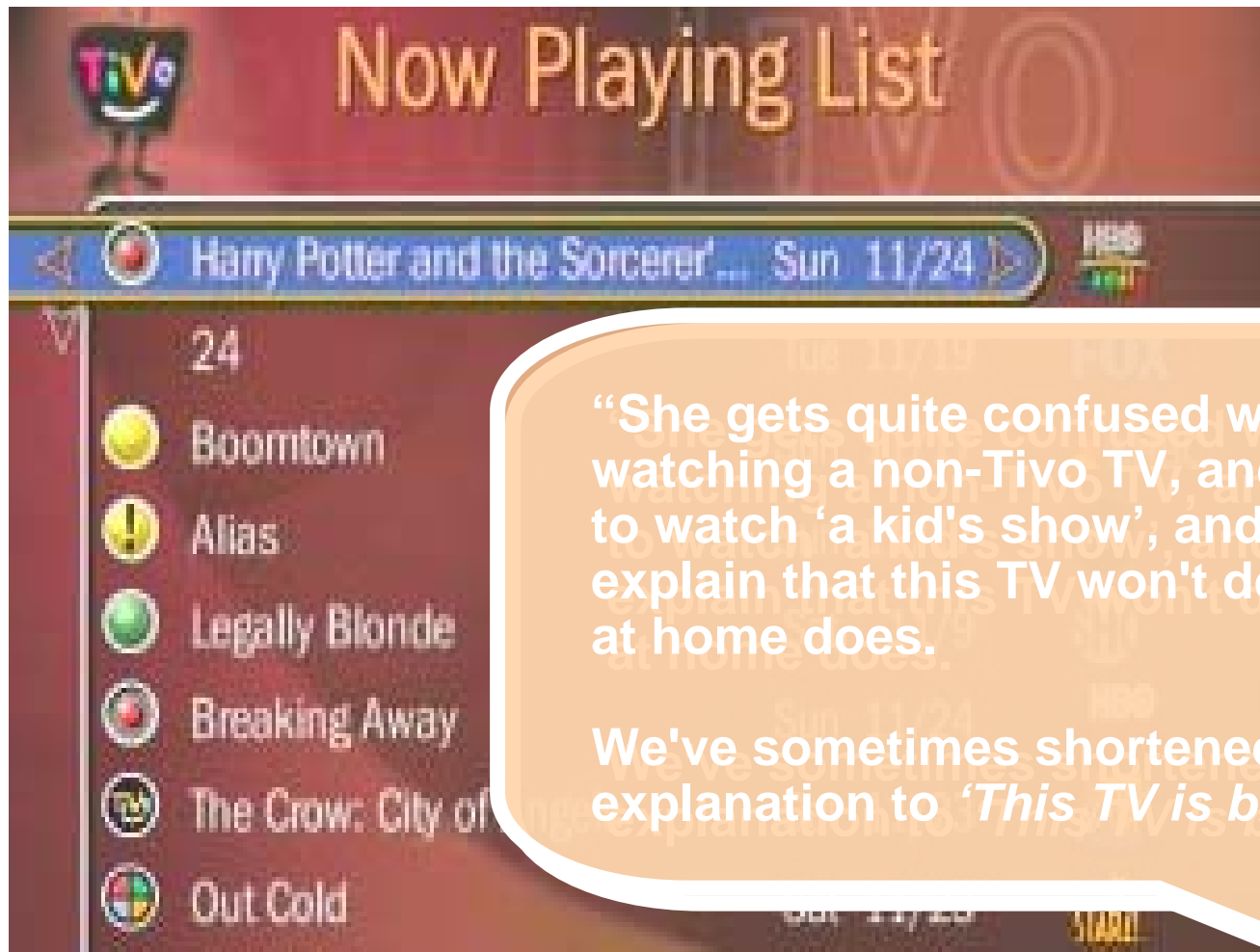
Source: BBC Strategy

Broadband uptake in the UK is growing fast

- 90% availability
- 12.2 million users in Q1 2005
- 6.6 million connections (UK has now overtaken Germany in broadband penetration)



Kids are growing up with PVRs...



“She gets quite confused when we are watching a non-Tivo TV, and she asks to watch ‘a kid's show’, and we have to explain that this TV won't do what ours at home does.

We've sometimes shortened this explanation to *‘This TV is broken’*”

As a result, patterns of behaviour are changing rapidly...

The number of adults following the Election with news online has quadrupled in just four years:

2001
General
Election

2.1m



London bombings

- 116m page impressions
- 8m requests for content

2005
General
Election

8.4m



2. How we will adapt to meet the challenge

The Government has set major challenges for the BBC: its “Public Purposes”

- Sustaining citizenship and civil society
- Providing education and learning
- Stimulating creativity and cultural excellence
- Representing the UK, its Nations, regions and communities
- Bringing the UK to the world and the world to the UK
- Building Digital Britain

Responding to the needs of the market and audiences, the Government has asked the BBC to ‘build digital Britain’

“...if it is to remain a public service of universal relevance to all citizens, the BBC will have to be **fully involved in leading the digital revolution.**

That means helping to bring the benefits of digital services to all households and providing high quality content to drive take-up of those services”.

*DCMS Green Paper,
2005, p47*

The BBC will help to deliver universal digital television

The BBC's role in Digital Television

DTT build-out:

- to near universality



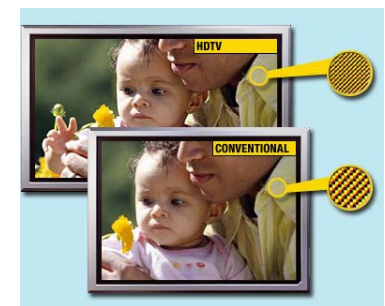
Free Satellite:

- in partnership with other broadcasters and manufacturers



HDTV:

- Launches next year
- Vital for export markets



The BBC will increase coverage of digital radio and build awareness and access to new media

The BBC's role in Digital Radio

National DAB Build-out:

- The existing coverage is low at 85%
- The BBC will extend coverage to 95% of the UK population



Digital services drive value

(i) Making content available



BBC iMP

7 day catch-up

Open archive

Ubiquitous BBC



Digital services drive value

(ii) Helping audiences find and explore programming they want

Electronic Programme Guides

Channel	10.30pm	11.00pm	11.30pm
101 BBC ONE	Jack Dee..	Needful Things	
102 BBC TWO	Newsnight	Newsnight R..	Buffy T..
103 ITV	..press 'tv' then '3' for ITV.		
104 Channel 4	Big Brother	Around the..	
105 Channel 5	A Fig..	Animal Instincts	
106 Sky One	The Lost Boys		
109 UK Gold	Rory McGrath..	Reginald P..	
110 UK Gold 2	Neighbo..	Heartbeat	
112 Living	Casualties	Judge J..	
118 Granada Plus	Miami Vice	The Professionals	

Increase
relevance

Search BBC
content

Partnerships
& payments

Navigation



Digital services drive value

(iii) Helping people play a part in their media and interact more



**Creative
archive**

**User engagement
and content**

Participation

Music For All



Action Network



Sport Action



The BBC has already taken its first steps into the on-demand world

- The Radio Player: over 9 million requests for programmes on demand per month
 - The Olympics received 2.4 m requests for broadband on demand coverage
 - 3.8m users per month watch BBC News loops on-demand via their red button
- For relatively small investment these projects have significantly increased reach

BBC Radio Player
Radio on Demand

Select by Radio Stn [Go] Select by Genre [Go]

CHOOSE BY RADIO STATION OR BY GENRE
Listen to a selection of the best Radio shows, any time, up to 7 days after broadcast. **REQUIRES REAL PLAYER**

MOST LISTENED-TO SHOWS

1. The Archers
2. The Now Show
3. The Essential Selection
4. The Essential Mix
5. Dance Anthems

WE RECOMMEND

Johnny Cash: The American : Radio 2 : Folk
American : Radio 2 : Folk

▶ BBC 7	▶ Blues, soul & reggae
▶ Asian Network	▶ Children's
▶ 1Xtra	▶ Classical
▶ 6 Music	▶ Classic Rock/Pop
▶ Radio 1	▶ Comedy & Quizzes
▶ Radio 2	▶ Dance
▶ Radio 3	▶ Drama
▶ WOMAD on Radio 3	▶ Easy & Soundtracks
▶ Radio 4	▶ Experimental
▶ Five Live	▶ Folk & Country
▶ Five Live Sports Extra	▶ Jazz
▶ World Service	▶ News

BBC Sport Player - Microsoft Internet Explorer provided by the BBC

NEWS PLAYER SPORT PLAYER WEATHER PLAYER RADIO PLAYER

WATCH AND LISTEN TO MORE SPORT

BBC SPORT OLYMPICS 2004 GYMNASTICS More Olympics: [v]

Now Playing: Men's gymnastics round-up

GYMNASTICS

Men's gymnastics round-up

Watch highlights of the action from the Maroussi's Indoor Hall as Gervasio Deferr wins gold for Spain in the vault, Ukraine's Valeri Goncharov takes gold in the parallel bars and Italy's Igor Cassina wins a controversial gold in the horizontal bar.

http://news.bbc.co.uk - BBC News Player - Mozilla Firefox

NEWS PLAYER SPORT PLAYER WEATHER PLAYER RADIO PLAYER

NEWS HEADLINES ELECTION 2005

WHILE YOU WATCH

Election 2005 Select an index [v]

Now Playing: Galloway anger over Paxman interview

ELECTION 2005

Respect party leader George Galloway clashed with the BBC's Jeremy Paxman after winning in Bethnal Green and Bow.

Mr Galloway took exception to questions focusing on his ousting of black, female Labour candidate Oona King.

SEE ALSO

- ▶ Watch the result being declared in Bethnal Green 09:10 mins
- ▶ A jubilant crowd celebrates George Galloway's win 01:33 mins

▶ BACK TO SEARCH RESULTS

SPECIAL COVERAGE

- ▶ Results explained: Peter Snow analyses the election outcome
- ▶ Online antics: Internet animations parody political leaders

▶ The news in 3 minutes: Constantly updated news summary

- ▶ News bulletins: One, Six and Ten O'Clock News

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Done

The Government has set the BBC the challenge of improving local relevance for audiences

- Audiences value the vital and unique way that the BBC connects with them at a local level
- The BBC is also looking to improve how it reflects the country:
 - Moving some commissioning & production out of London “as fast as possible, as far as possible”

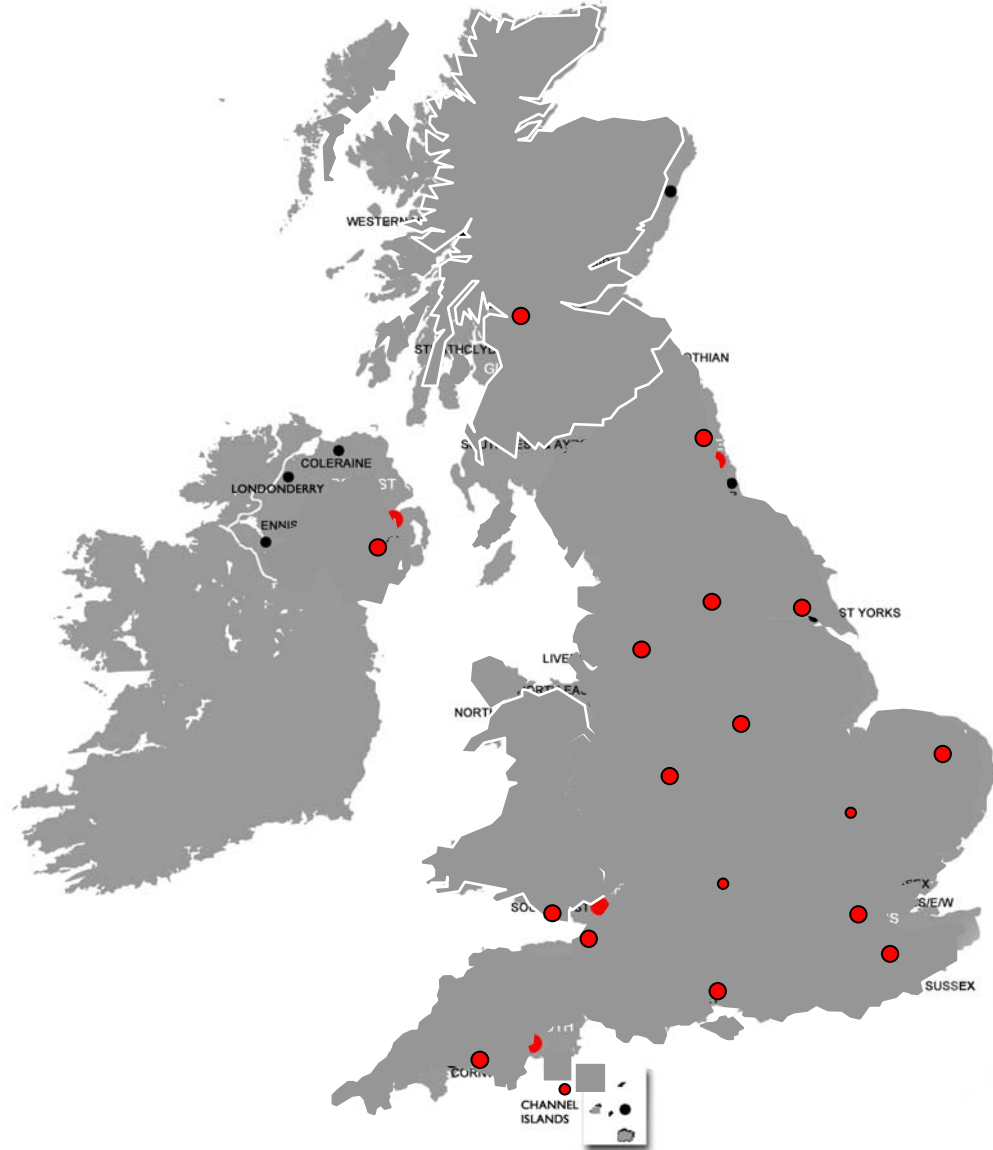
“The BBC should provide network programming that reflects the activities and cultures of the diverse range of different communities within the UK.”

*DCMS Green Paper,
2005, p98*

The BBC proposes initiatives to bring us closer to audiences including local television news services

Highly local television news service

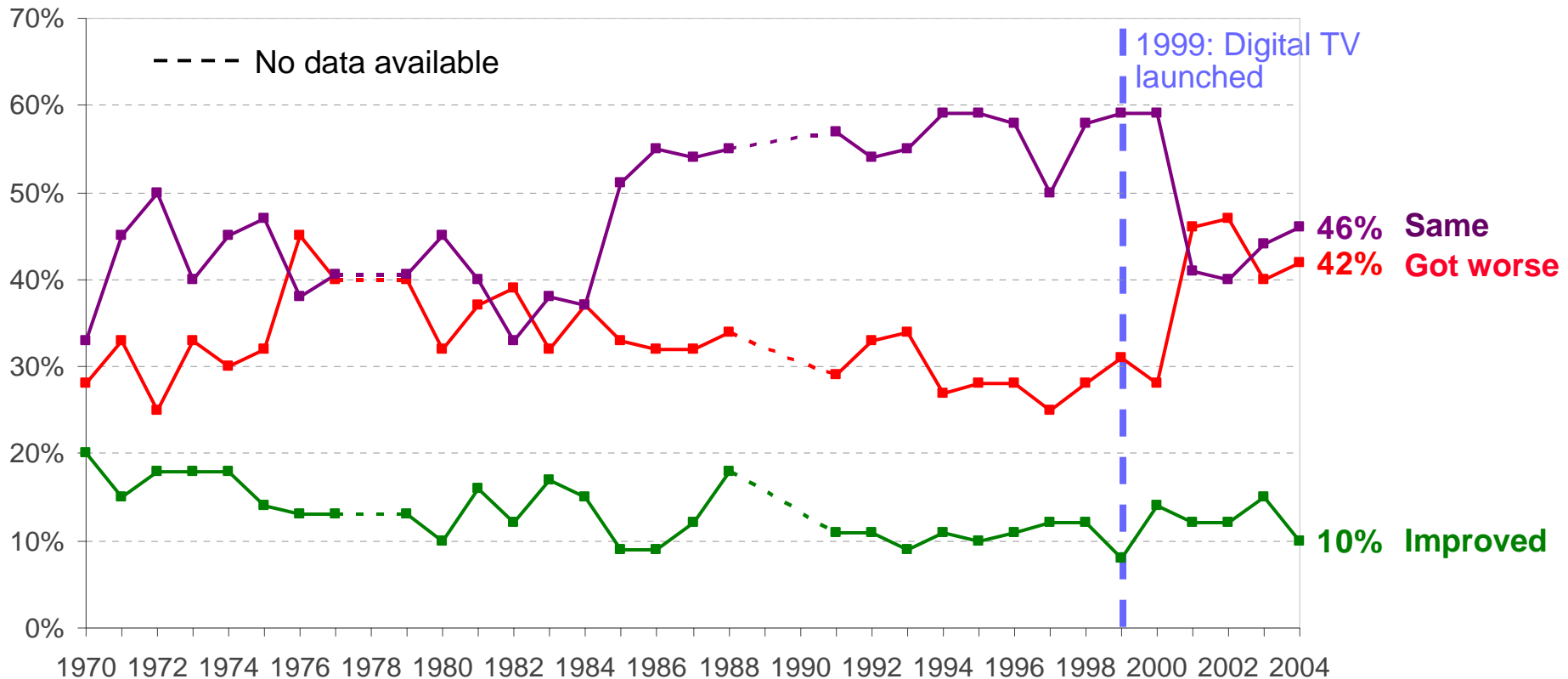
Open Centres and Buses



3. The need for quality content

Quality has become an issue for TV broadcasters in recent years

Opinions about UK television programmes in general: 1970-2004

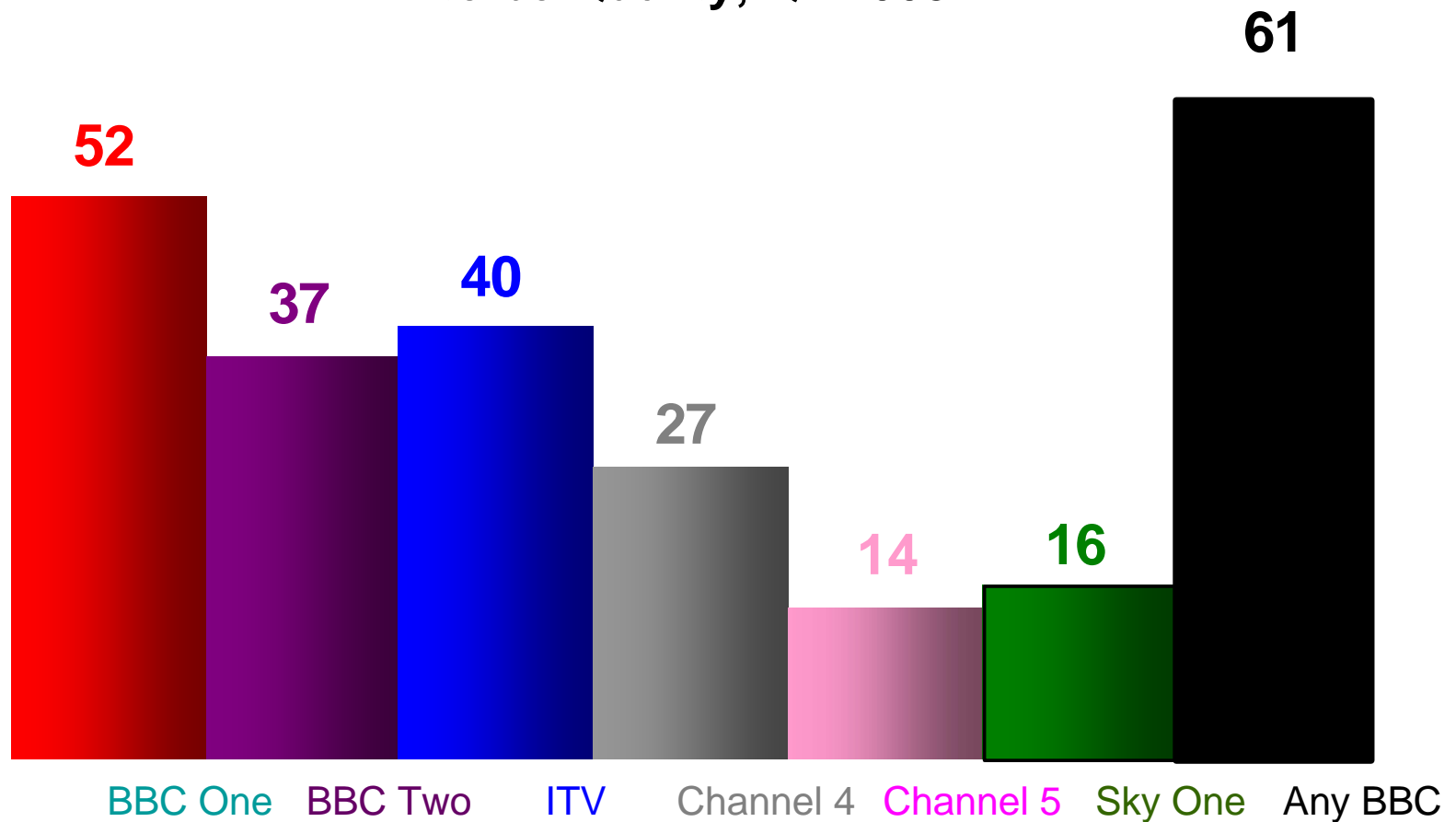


Source: Ofcom residential tracker 2004 (Base: All respondents, 2073)

Note: 'Don't knows' not shown

Although the BBC still holds its own ...

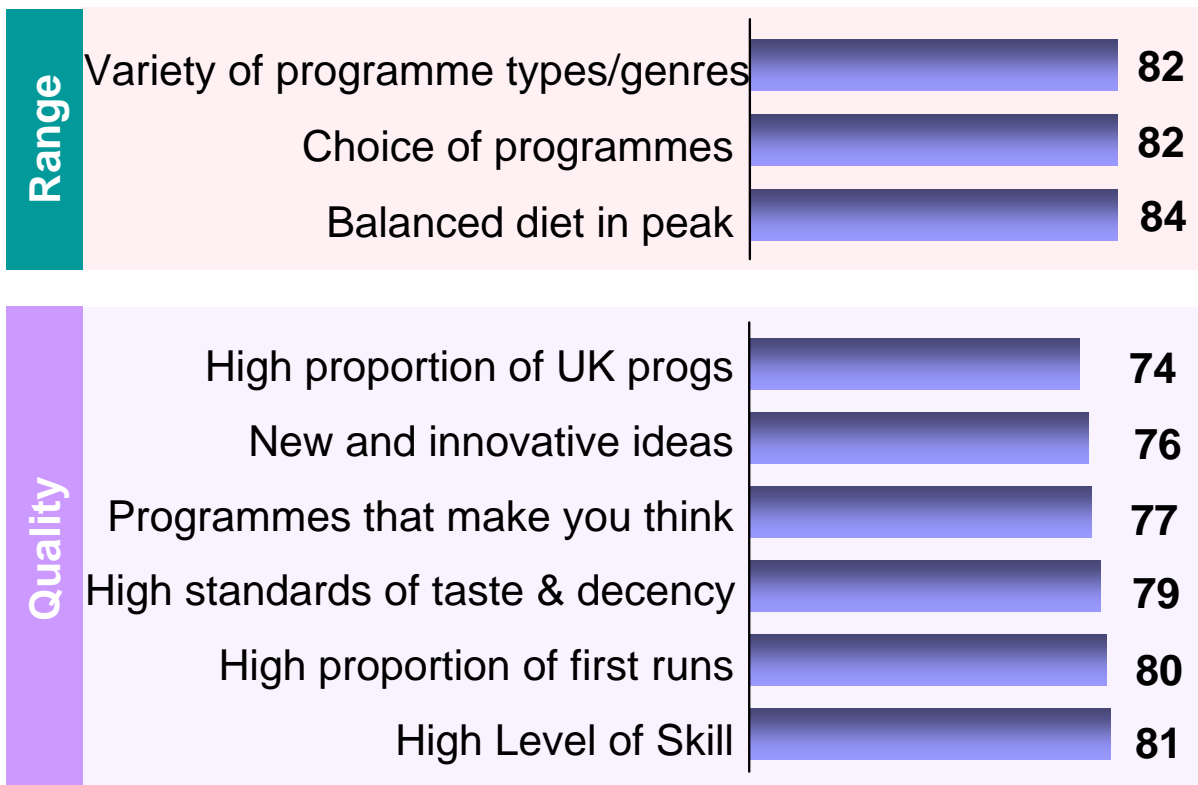
% of respondents believing channel to be Quality, Q1 2005



Source: PBTS, Q1 2005

... the scale of the challenge has increased.

Ofcom consumer research into the values of Public Service Broadcasting



% of people who think its important for the main terrestrial channels between them to provide the above components

There are particular genres which will improve quality and build our public purposes

The public purposes and quality content

Education

Learning & knowledge-building



Children's



Culture

Drama, comedy & entertainment



Original music



Democratic

Journalism



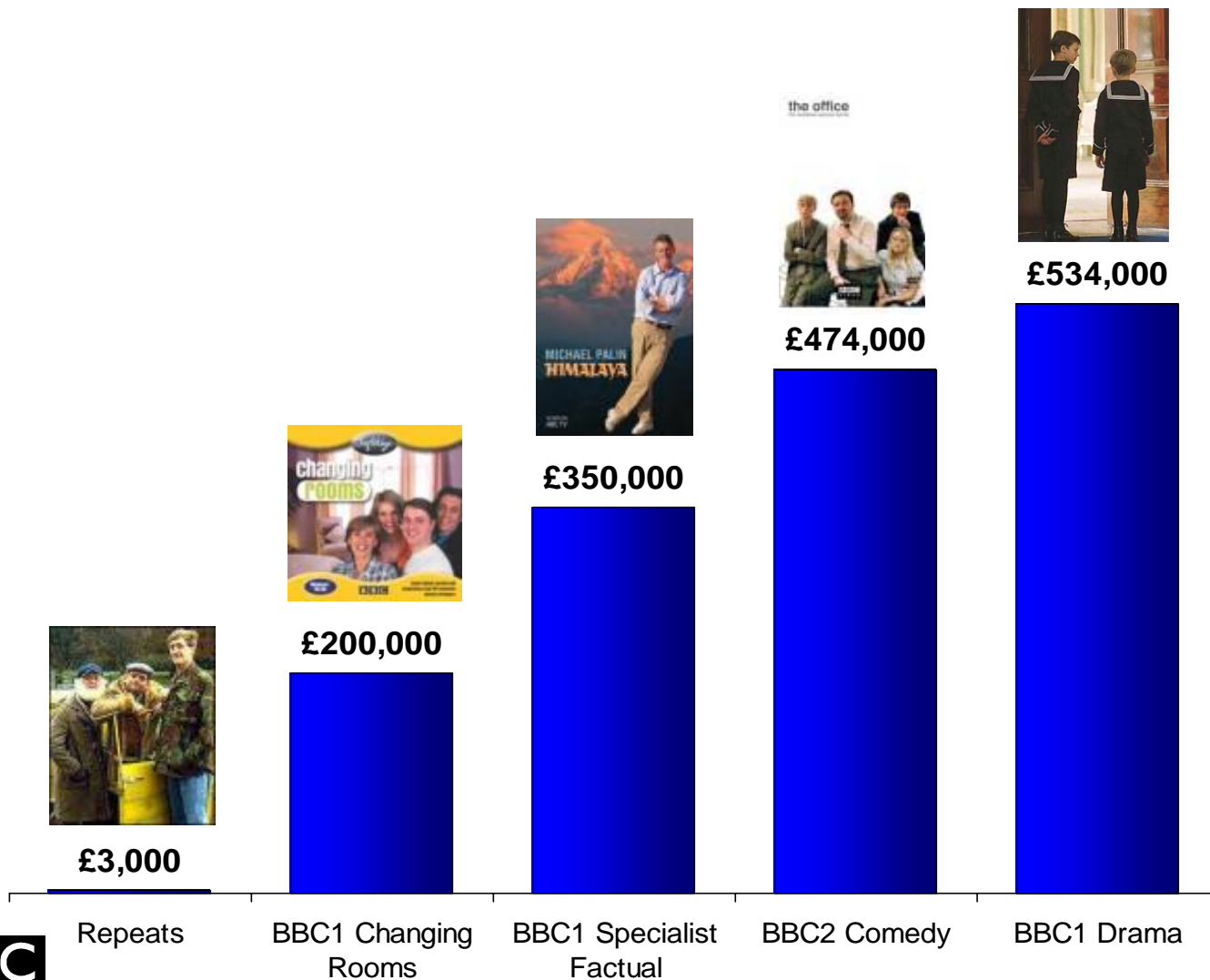
Local

Local



Although this high value output costs more than the programmes it will replace ...

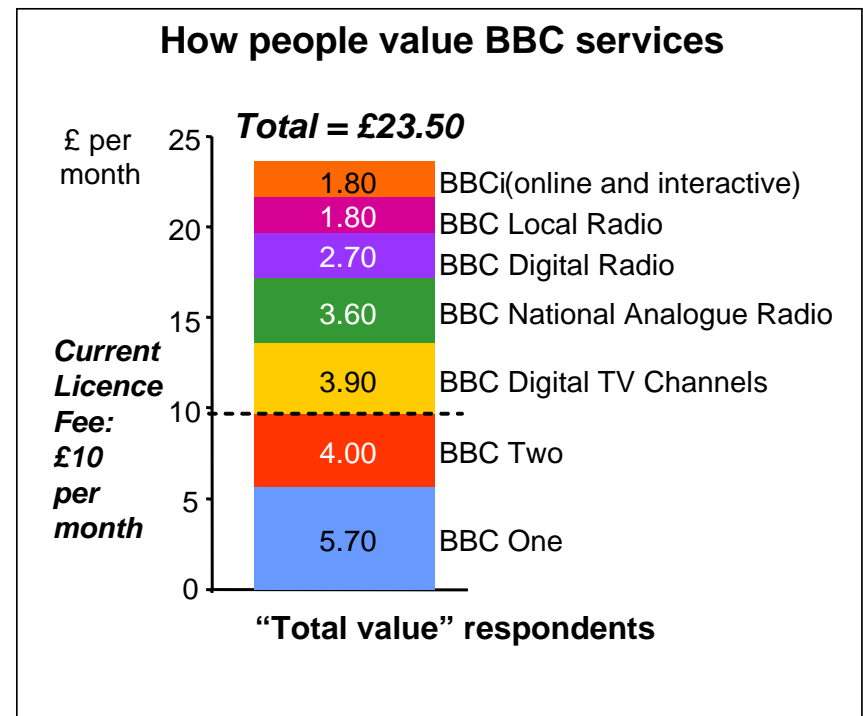
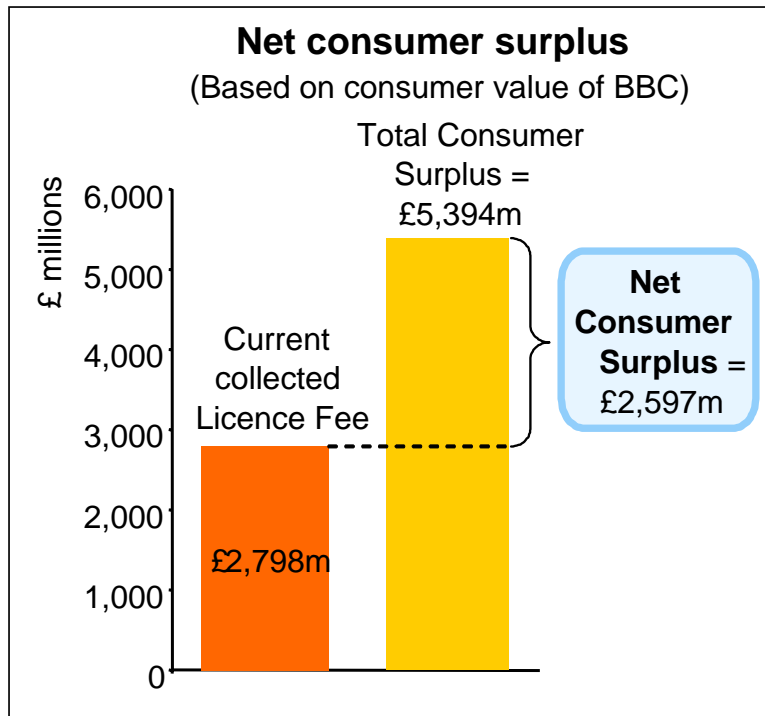
BBC television cost per hour



Source: BBC Finance;
2005/06 budget figures

... audience research and testing suggests that the extra value is worthwhile

- “Willingness to pay” research carried out for current BBC services showed that all BBC services are valued more highly than they cost



And that holds true for the new investments we have proposed to Government as part of our licence fee case

- A recent Mori survey* assessed interest in the new propositions, likelihood to use them, and willingness to pay for them through the licence fee
- The results indicate that audiences are very interested in the BBC providing these services and believe they deliver value over and above their planned cost:
 - **82%** of people believe it is important for the BBC to build out digital
 - **80%** would be interested in using a BBC on-demand proposition
 - **79%** would be interested in more local news coverage

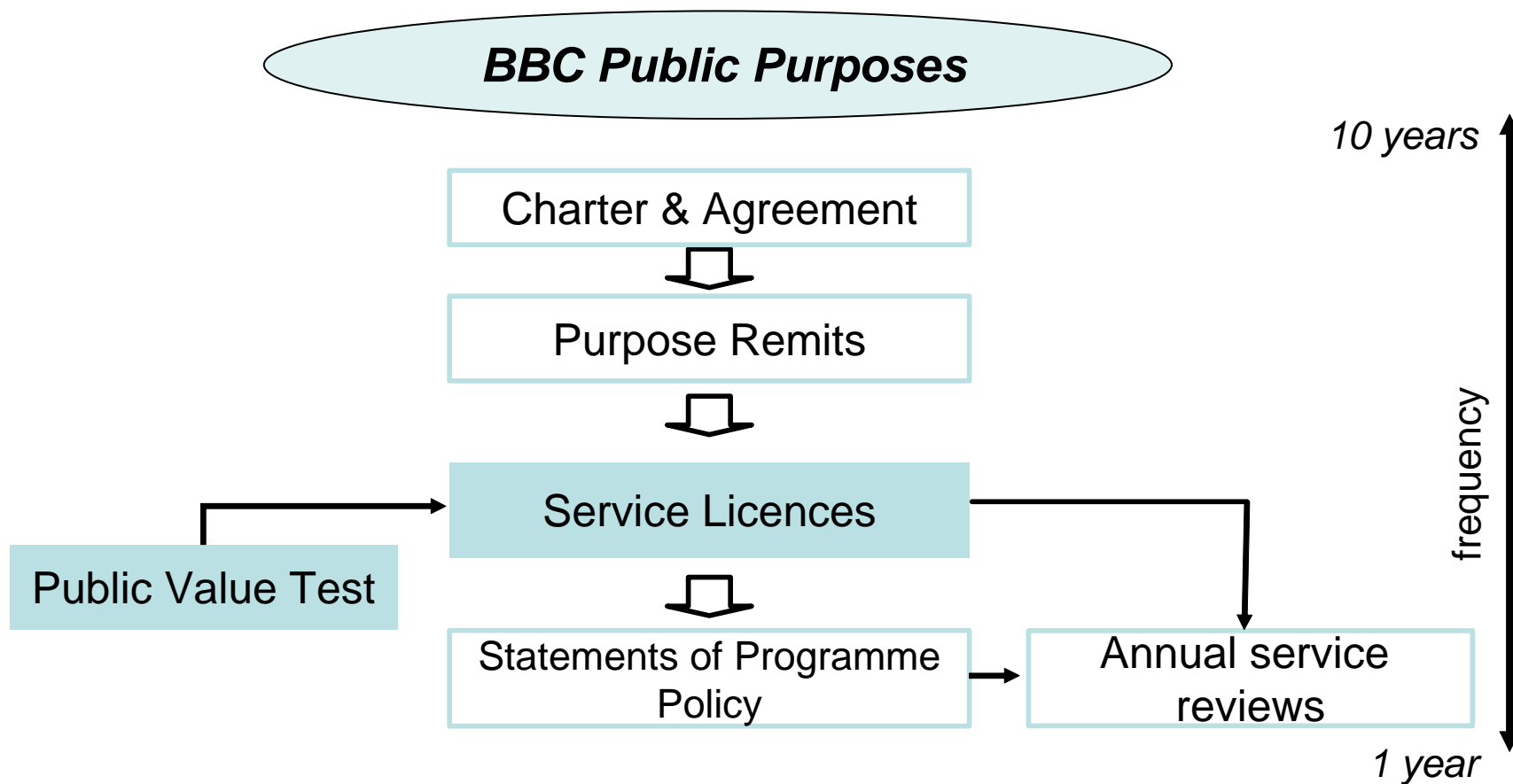
* Survey of 1,640 people across the UK conducted in March 2005

4. The organisation to deliver the mission: new standards of accountability

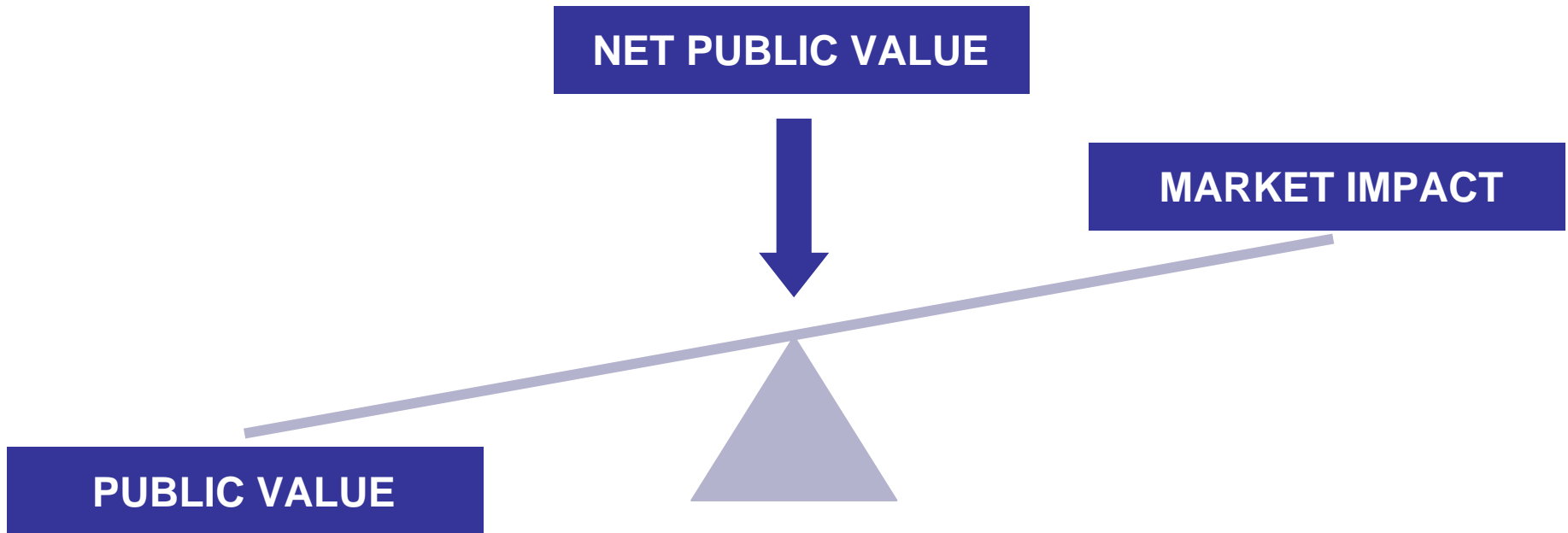
The new BBC Trust will govern BBC services in a new way

- The Trust will be **independent** – from BBC management and from political interference
- It will be sovereign
- It will be fully **accountable** to licence fee payers
- It will be structured, and will operate in a **practical** way.
- Two new tools have been developed:
 - Service licences for existing BBC services
 - Public Value Test

How will it work?



The public value test is central



5. Conclusion

Getting our priorities right

1

- News and Current Affairs
- Drama and Comedy
- Music and music-making
- Knowledge-building
- Children's
- National Events



Commanding Reputation

2

- Sport
- Documenting contemporary life
- Chronicling the other arts
- Celebrating the national conversation



Indispensable contribution

3

- Leisure and lifestyle
- Consumer choice
- General feature and magazines



Potentially distinctive contribution

4

- Reality
- Light factual programming
- Light format entertainment
- Programme acquisition



Pragmatic tactical involvement

will help us to deliver ...

1. A decisive step towards a digital Britain
2. A digital BBC
3. A BBC which serves the public better
 - higher quality
 - better value
4. A more accountable BBC

plus outcomes against our public purposes ...

For example...

Sustaining citizenship and civil society:

- Help audiences better understand complex issues, measured by at least 80% of people saying that the BBC enables them to become better informed.

Providing education and learning:

- Schools and homes linked by a fully digital learning environment based on world-class BBC archive.

Stimulating creativity and cultural excellence:

- Cut the volume of repeats and replace with original UK content. Aim for no repeats in peaktime on BBC ONE and BBC TWO by 2015.

...including Building Digital Britain

Outcomes from Building Digital Britain

- Digital terrestrial transmission network that matches the coverage of analogue terrestrial
- Play major role, working with government and industry, in delivering analogue switch-off
- A subscription-free digital satellite alternative available across the UK
- 95% of UK homes able to receive BBC radio services on DAB
- On demand access to BBC programmes for 7 days after broadcast, driving broadband Britain

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