

Public Private Partnership for the Digital Age

Ofcom's Review of Public Service Television Broadcasting Phase 2: Submission from the Satellite and Cable Broadcasters' Group



Satellite & Cable
Broadcasters' Group

1.	<i>Introduction.....</i>	1
2.	<i>Definition of Public Service Broadcasting (PSB)</i>	1
3.	<i>Executive Summary.....</i>	2
4.	<i>Market Failure.....</i>	3
5.	<i>Crowding Out</i>	8
6.	<i>Funding of PSB.....</i>	13
7.	<i>Distribution.....</i>	16
	<i>APPENDIX: SATELLITE AND CABLE PROGRAMMES IN PSB GENRES</i>	
	<i>.....</i>	20

1. Introduction

The Satellite and Cable Broadcasters, Group (SCBG) recognises the importance of maintaining public service broadcasting (PSB) in the fully digital future, now perhaps less than a decade away. There is an important heritage to be preserved and valuable public interests to be considered. Ofcom is to be congratulated on conducting a wide-ranging review, calling on diverse sources of opinion and many types of analysis.

In this response to Phase 2 of the Report on Public Service Broadcasting, we raise questions and provide information that we believe should be considered carefully before reaching a final view on measures to protect PSB. We want to ensure that decisions are not based on hasty analysis or premature conclusions.

In particular, we are concerned that the deficit Ofcom predicts in PSB is not supported by the available evidence, and that therefore its proposed solution of a new third force in public service broadcasting (the PSP) is not yet soundly based.

2. Definitions of Public Service Broadcasting

The term Public Service Broadcasting (PSB) is used in a number of different ways in the Ofcom report.

1. At times PSB refers to the total output of the content-controlled subsidised channels, i.e. BBC, and Channels 3,4 and 5, along with the current funding system.
2. At other times it refers to programming with certain purposes and characteristics, such as those identified in 2.12 of the Phase 2 report.
3. At yet other times PSB refers to specific programme genres which are considered to be potentially high in social value and which may possibly be under-produced or insufficiently viewed as digital penetration increases.

In our view this causes confusion. We will refer to 1 above as the "current PSB system".

In the case of 2 above, the "purposes" defined by Ofcom in 2.12 include informing our understanding of the world, stimulating an interest in the arts and sciences, strengthening our cultural identity, making us aware of different cultures, and the "characteristics" in 2.13 denote programmes of high quality, locally originated, innovative, challenging engaging and widely available. These characterise good programming across a range of genres, inside and outside the subsidy system. A regulatory authority might wish to see them widely prevalent, but should not consider that subsidy is necessarily the best way of achieving them in every case. For convenience we will use the term "principles" to refer to all the criteria, both the "purposes" and the "characteristics".

Under 3 above, a variety of references in the report identify a cluster of genres perceived to be of particular social value and possibly undersupplied. These include News, Current Affairs, Wildlife and Nature, Documentary, Multicultural programming, home-produced Children's, Classic Drama, etc. We will refer to these as "PSB genres", meaning genres among which many programmes of particular social value can be found. This is not to say that many programmes in these genres cannot be broadcast profitably.

Hard as it is to define PSB, Ofcom's definition seems light on what might be called "social value" criteria generally associated with PSB, which the BBC have sought to emphasize with their impact and "public value" tests. The provision of programming containing relevant advice on health issues for example, to particular age groups is something in which the private thematic channels have been prominent.

3. Executive Summary

- 1) PSB genres are widely and increasingly broadcast and viewed outside the subsidy system, as digitisation reduces market failure. In particular, private digital channels broadcast large volumes of many PSB genres. The Phase 2 report shows little recognition of this trend, offers no means of tracking it and, consequently, no way to identify the residual gaps in provision, which should drive PSB policy.
- 2) Unless the contribution made to PSB by private digital channels is recognised and measured, public money may be spent to remedy deficiencies that do not exist, or to crowd out private provision.
- 3) "Crowding out" occurs when subsidised programming inhibits or damages market supply. We disagree with the report's claim that there is no "strong evidence" of this. Indeed, its existence is implicitly recognised in the report in such statements as *"...in the absence of licence fee-funded content...there would be better funded and potentially more niche channels than exist in today's market"* (4.11). We feel strongly that it should be a matter of active regulatory concern.
- 4) The Phase 2 report derives total future PSB funding from the present BBC licence fee plus a specific additional amount in compensation for the decline of "implicit subsidy" to channels 3, 4 and 5. We feel that this is the wrong way to frame policy for PSB funding.
- 5) Total PSB funding should be determined by the residual requirement or under-supply of PSB genres after the BBC supply and the supply from other broadcasters with public funding or special privileges – Channels 3, 4 and Five - is accounted for. One task of a body responsible for deploying PSB funding would be to determine the level and type of under-supply. In determining the level of funding needed, it should aim to maximise reach at the lowest cost. To do so, it would need to make use of the flexible distribution capacities, unique reach and strong branding of the private thematic channels.

4. Market Failure

Regulatory objectives

Market failure, the economic term that refers to cases in which a market does not work efficiently, has played a large role in broadcasting policy.

In the earlier phases of broadcasting, analysts took the view that market failure was largely a consequence of 'spectrum scarcity'. With only a few channels able to reach the viewing public, broadcasters would tend to maximise audiences and, without intervention, fail to satisfy minority interests.

Latterly, because spectrum is no longer scarce, proponents of the market failure theory have moved the discussion to a different aspect - 'merit goods'. This says that there are goods that have social benefits and which, unless provided by the State, people will under-consume. Textbook examples of merit goods include health services, training services and education.

PSB is now often defended as a 'merit good'. However, it will readily be seen, from the above examples, that PSB is remote from the core merit goods covered by classic market failure theory. The "principles" of PSB that Ofcom enumerates in its Phase 2 report - informing our understanding of the world, stimulating an interest in the arts and sciences, reflecting our cultural identity, making us aware of other cultures - are widely met without intervention and subsidy by books, newspapers, magazines, films and the internet. Nor does our society take steps to enforce the consumption of such goods, in the way that it insists on its children going to school, or its citizens getting prompt and adequate medical attention.

Merit good theory as a basis for PSB should therefore be used in a measured and cautious way. It would, in our view, make more sense to regard the 'principles' defined by Ofcom as a series of socially desirable objectives, which are currently being achieved in many ways and by many different providers. There may be some specific 'merit goods' services, which comprise a small and specific subset and which might genuinely justify intervention. But as for the rest, PSB policy should be about encouraging what is happening already, stimulating more of it, and monitoring strengths and weaknesses in the supply.

Contribution from outside the subsidy system

A corollary of classic market failure theory in relation to broadcasting is that, as spectrum scarcity declines due to the proliferation of channels, market failure reduces and the system's capacity to satisfy a much wider variety of tastes is enhanced. That this has happened is self-evidently true.

However, the live issue is the extent to which broadcasters operating outside the subsidy and regulatory systems associated with PSB are now meeting, or may meet in future, the social objectives of PSB. We are concerned that, with the exception given below, the second Ofcom report shows little interest in this issue, or any concern to form a balanced and informed view on it.

An important theme of this paper is that the private commercial channels have made a substantial contribution to the end of market failure, will continue to do so and will increase their contribution if market intervention is not excessive.

The SCBG are thus reassured by the paper *"Competition in Broadcasting – Consequences for Viewers"* by Professor Martin Cave, commissioned by Ofcom for the Phase 2 report. Cave deals effectively with some of the more sweeping and ill-founded responses to the Phase 1 report, concluding that:

"...some of the assumptions commonly made, about the fragmentation of audiences and the dominance of pay-TV seem implausible. The view that innovation would be stifled is widely-held, but not self-evidently true"

The private thematic channels have, in fact, provided to the UK public large volumes of the types of programming that match Ofcom's PSB criteria, and have done so without public subsidy or regulatory requirement. In this context 'fragmentation' is simply the wrong word, laden as it is with disappointment at the loss of large captive audiences by traditional terrestrial FTA channels. The right word should be 'choice'. This is the word that Ofcom uses in its regulation of other sectors such as telecommunication. The unbundling of the local loop, for example, is not seen as undesirable fragmentation which weakens the dominant player in the market, but a desirable extension of consumer choice and competition. Choice and competition should equally be at the heart of Ofcom's broadcasting policy, and include a recognition of the contribution the private sector has made and can make.

In an Appendix to this paper, we provide a sample of the output from private digital and thematic channels, arranged under the "purposes" used by Ofcom to define PSB. The private digital channels other than BSkyB do not, at present, commission high budget drama. We fully accept that high budget original drama is something that a PSB system should make widely available but we do not see a deficit in the supply at present. If a deficit was to develop, the PSB system should be enabled to address it.

In general, we are troubled by the danger of subjectivity and prejudice in the interpretation of these criteria and the lack of systematic definitions and examples. For example, the lack of recognition of the contribution of private thematic channels to programming that stimulates interest in the arts and sciences or strengthens cultural identity gives us cause for concern. These PSB principles should not be interpreted in too prescriptive a way or over-determined by the actual practice of traditional licensed broadcasters.

It is therefore essential that sound objective methods of monitoring content are developed.

Our view on the contribution of private channels should not surprise Ofcom. It is reflected in the *"Review of Public Service Broadcasting Around the*

World" commissioned by Ofcom from McKinsey & Company for its second report.¹

One of McKinsey's key findings is that, in the US in particular:

"...subscription-funded broadcasting delivers a significant quantity of viewing in PSB genres."

In fact, in the US, more than two-thirds of viewing in PSB genres is on thematic channels. The report goes further, suggesting that since:

"...audience share on FTA networks is declining...the quantity of viewing in PSB genres in the US will continue to increase."

Many of the countries in the McKinsey survey are moving towards US levels of multichannel penetration: maintaining and growing the viewing of PSB genres is therefore closely linked to this development.

The McKinsey report in fact finds no correlation between the level of public funding and the viewing of PSB genres in the countries it reported on. Nor does the report find any relationship between the level of public funding, on the one hand, and the quantity of output in PSB genres or the quantity of total domestic output on the other. It is surprising that Ofcom has chosen to ignore these findings and concentrate, for example, on the fact that the UK has *"one of the highest levels of domestically originated programming in the world"*. (Its share is actually exceeded by Japan, which has less public subsidy, and the USA, which has virtually none.)

The McKinsey report should thus alert Ofcom to a global development to which, in our view, the Phase 2 report pays far too little attention. Whereas advertiser-funded or publicly-funded FTA channels still find it difficult to provide adequate quantities of PSB genres, private thematic channels are providing PSB genres in significant quantities in countries at a similar stage of development to the UK.

The UK experience

The SCBG has tested the UK position. Using a genre-based definition of PSB very similar to that used in the Phase 2 report, the SCBG commissioned analysis of the provision of these genres on British television. The results were striking and are shown in the following tables.

¹ Review of Public Service Broadcasting around the world, McKinsey & Company, September 2004.

Who airs and watches the PSB genres?

Table 1: PSB genres by type of channel, July 2004

Hours of PSB Programming, July 2004:					
Genre	BBC Terrestrial	Commercial Terrestrial	BBC Digital	Commercial Digital	
Arts	9	12	49		465
Childrens	177	183	681		5,403
Current Affairs	89	32	861		551
Documentaries	112	108	196		5,975
Film (UK / ROW)	45	17	17		456
News	278	242	606		1,464

Source: DGA Metrics

% of PSB Hours, July 2004:					
Genre	BBC Terrestrial	Commercial Terrestrial	BBC Digital	Commercial Digital	
Arts	2%	2%	9%		87%
Childrens	3%	3%	11%		84%
Current Affairs	6%	2%	56%		36%
Documentaries	2%	2%	3%		93%
Film (UK / ROW)	8%	3%	3%		85%
News	11%	9%	23%		57%

Source: DGA Metrics

% of PSB Viewing - All Homes, July 2004:					
Genre	BBC Terrestrial	Commercial Terrestrial	BBC Digital	Commercial Digital	
Arts	42%	19%	17%		22%
Childrens	13%	9%	21%		56%
Current Affairs	68%	26%	4%		1%
Documentaries	28%	34%	4%		35%
Film (UK / ROW)	58%	18%	4%		20%
News	52%	35%	5%		8%

Source: BARB / DGA Metrics

% of PSB Viewing - DTT Homes, July 2004:					
Genre	BBC Terrestrial	Commercial Terrestrial	BBC Digital	Commercial Digital	
Arts	47%	21%	20%		12%
Childrens	28%	22%	48%		2%
Current Affairs	74%	22%	3%		0%
Documentaries	37%	41%	5%		16%
Film (UK / ROW)	70%	22%	7%		0%
News	60%	33%	4%		3%

Source: BARB / DGA Metrics

% of PSB Viewing - DTH Homes, July 2004:					
Genre	BBC Terrestrial	Commercial Terrestrial	BBC Digital	Commercial Digital	
Arts	36%	19%	16%		29%
Childrens	9%	6%	14%		71%
Current Affairs	66%	27%	5%		2%
Documentaries	24%	30%	3%		43%
Film (UK / ROW)	49%	18%	2%		31%
News	49%	35%	6%		10%

Source: BARB / DGA Metrics

DGA Metrics measured the volume of hours in PSB genres across all channels reported by the UK BARB ratings system in July 2004. In five out of the six genres studied, more hours of programming were available via commercial

digital channels than through either the BBC (including its digital services) or the advertiser-funded terrestrial channels. 84% of Children's programming was shown on commercial digital channels such as Nickelodeon and Fox Kids, while 93% of Documentary hours were on channels such as Discovery and National Geographic.

At present, UK viewers have differential rates of access to the range available on digital channels. As a result many homes in the All Homes category above cannot receive them. Despite this access restriction, 56% of viewing to Children's programming already takes place on these channels, compared to 34% on BBC channels (including CBBC and CBeebies). A similar position holds for Documentaries, with the commercial digital channels accounting for 35% of viewing in this genre compared to the BBC's 32%. In Sky Digital homes, the rate increases: 71% of viewing to Children's programmes takes place on commercial digital channels and 43% of Documentary viewing.

As will be readily seen from the schedules, children's' programming on cable and satellite channels contains a mixture of entertainment and PSB programming, some examples of which appear in the Appendix. Should Government determine that it wishes to spend public money on an enhanced supply of free-to-air domestic programming uninterrupted by advertising – as has happened with the launch of the BBC digital children's channels – we do not argue with its right to do so. But it should only do so in full recognition of the costs and impact on other services and take all the steps it can to minimise the damage.²

Though the McKinsey report has proved valuable in identifying some important trends, the McKinsey genres are too wide to give a meaningful description of a match with PSB "principles", as defined by Ofcom. The SCBG has given examples of programming that amply meets the Ofcom definition. Ofcom needs to recognise these as PSB provision.

Plurality in PSB supply

The SCBG agrees strongly that 'plurality' is at the heart of successful PSB obligation and that PSB policy should:

"...aim to ensure that there is more than one PSB provider of significant scale and that the production of PSB content is open to a wide range of producers."

At the heart of classic market failure theory is monopoly power and in 2.14 of the Phase 2 Report, Ofcom further recognises that a *"new model is...needed to avoid the outcome in which the BBC would become a near monopoly provider of PSB in the world beyond switchover."*

² The approach taken by Prof. Patrick Barwise in his Independent Review of the BBC's Digital Television Services, (DCMS, 2004) was that the BBC Children's channels could be justified provided the social benefits exceeded the damage to the TV economy. The SCBG is however very concerned at the BBC's modifications of its original remit, Professor Barwise's apparent willingness to sanction this and his low estimate of the economic impact.

But this statement requires clarification. In terms of hours of output, BBC is not a monopoly provider of PSB, as we have shown above. The statement confuses the totality of BBC output with its PSB output, slipping back into the 'institutional' definition of PSB, which Ofcom claims to have left behind.

In terms of public funding, the issue is quite different: according to Figure 3.3 of the second Ofcom report, the BBC received 87% of public funding in 2003, a figure that will now rise as the "implicit" subsidies identified by Ofcom disappear. This is a massive distortion of the market.

This is an issue that needs to be addressed, since we do not accept that it is consistent with the aim of 'plurality' of supply.

The BBC's near monopoly of public funding inevitably influences the capacity of other players in the market to deliver programmes of range, diversity and quality.

Overall, the SCBG questions whether Ofcom has understood fully the issue of plurality of supply of PSB. The Ofcom policy of promoting more independent supply to the BBC and a new commissioning body, the PSP, do not recognise the volume of PSB hours that are now generated outside the subsidy system. Improving the range and quality of non-subsidised output, by the right incentives and structures, should be included as an important aim of policy. That would require recognition of the problem of "crowding out".

5. Crowding Out

Regulatory objectives

'Crowding out' describes the possibility that the state may do something that discourages the private sector from doing it. In a classic example, excessive public borrowing may crowd out private sector borrowing, reducing investment and, consequently, economic growth.

Ofcom acknowledges that, in the broadcasting context, *"the BBC's level of public expenditure might have a significant effect on smaller commercial channels or on new and emerging markets"*. Concerns about narrow economic efficiency may be overridden on occasion. A degree of crowding out might, for instance, be justified in the public interest, where the privately provided goods would be too expensive for the majority of the population, and where there are public welfare or public policy grounds for making them widely available. But unless the regulator of a heavily subsidised industry is vigilant, the industry it regulates could be rife with crowding out. This would make it inefficient and reduce the quality of its services to the public below their potential level. As Ofcom warned in paragraphs 149 and 150 of the first report, *"any large intervention in the market"*, referring specifically to the periods after digital switchover, *"should result in programming that would not be delivered by commercial operators alone"*.

What is certain is that Ofcom cannot articulate PSB policy without the appropriate tools to determine the potential damage resulting from crowding out, any more than it can afford to neglect to investigate the provision of PSB

outside the traditional system. The need for, and appropriate scale of, public provision, in the interests of securing PSB at the lowest public cost, must be carefully judged and based on good information. Ofcom must be in a position to take a view on the optimum provision of such programming, taking full account of public and private supply.

Evidence of “crowding out”

The SCBG contends that Ofcom is specifically incorrect in stating that it could find “...no evidence...” that public provision ‘crowded out’ private provision of public service genres.

The latter position appears to be based on the findings of the “*Review of Public Service Broadcasting Around the World*” commissioned by Ofcom from McKinsey & Company. This report found no correlation between public funding and commercial funding, concluding that their analysis had not “...identified a common pattern of crowding out...” In fact, in the countries under survey, McKinsey found that both advertising and subscription funding had grown along with, or despite, significant growth in public funding. The most significant effect on the level of both commercial funding and advertising funding came from the Gross Domestic Product (GDP) of each country.

While McKinsey’s general findings are incontestable, they stay at the macroeconomic level. An analysis of public service broadcasting needs something more specific. We are not talking about gross revenues, gross incomes or gross public expenditure on broadcasting³, but about a particular subset of programming. We must focus on the question at the heart of the PSB issue: to what extent does public support for PSB crowd out private provision? The McKinsey report does not contribute on that issue.

It should be obvious that an over-provision of a given type of programming may, on occasion, increase consumption but it may also, by diluting revenues, undermine quality. The thematic digital channels are fully aware that there is indeed competition between similar types of programming, for which there is, inevitably, a finite demand. For example, they know about the harm done by the loss of access to the BBC archive as competitor BBC channels arrived on the scene and the pressure this put on their own programmes. In the face of competition from the BBC, the private channels

³ The broad measures used by McKinsey conceal a whole range of possible scenarios and interrelationships, accountable to numerous possible causes, but with no specific connection with the main issue - the efficient production and distribution of programming with the specific characteristics which define it as PSB. The strong correlation with GDP could mean that an appetite for more content all round is driven by the tastes of citizens of more advanced countries who simply have more money to spend as technology changes and wealth increases. Alternatively, correlation between growth in funding and growth of other TV revenues could happen when public funding generates an over-supply of one type of programming on some channels, thus creating opportunities for others to supply the deficit. This may indeed have been the reason for the growth of BSkyB in the UK.

were forced to dilute the public service value of their programming and make it more popular.

In one section of the Ofcom report, there is a discussion of Sunday morning current affairs programming on terrestrial channels, using one particular day as an example. The programmes are *Breakfast with Frost*, *The Politics Show*, GMTV's *The Sunday Programme* and *Jonathan Dimbleby*. (Ofcom has failed to add to the list *Sunday with Adam Boulton*, broadcast on Sky News at 10:00am on the same day.)

Figure 5.2 of the second report tells us that the majority of viewers watched only one of these programmes, although some watched more than one. Ofcom concludes that by catering to a variety of tastes – and for a number of different Sunday morning schedules - more people watch current affairs on Sunday than would otherwise do so. But this is not an unqualified good, unless we know to what extent viewing of Sunday morning current affairs may have been fragmented by over-provision or, indeed, whether its benefits justify its costs relative to other interests.

As the SCBG has described earlier, we would like to see a more disciplined approach to the setting of PSB policy. The analysis of “opportunity costs” and the matching of such costs against PSB priorities, which has been undertaken by Ofcom elsewhere, seems not to have filtered through to the Phase 2 report.⁴

A UK case study

It is not correct to say that there is no evidence on crowding out specific to the UK. In 2003 Nickelodeon commissioned work to identify a methodology for capturing the impact of the launch of the BBC children's channels, CBBC and CBeebies, on 11 February 2002, on their own service. The method chosen by the consultants was Structural Break Analysis.⁵ This is a complex technique by which an underlying trend is identified and tracked beyond the break point, in this case the date of launch of the BBC Channels. The divergence from that trend, determined by statistical measures, is then reported and analysed.

This is an example of the kind of tool that Ofcom needs if it is to claim an authoritative basis for its policy recommendations.

In the real world, it is hard to identify the precise cause of a significant change. Structural break analysis uses statistical methods to isolate the effect of one particular event from the other events surrounding it. A lot was happening early in 2002. ITV Digital was on the point of collapse and subsequently stopped broadcasting. A new BARB panel was introduced which radically changed the audience estimates and was unstable for some time.

⁴ See *Measuring Public Service Broadcasting*, a paper by Robin Foster, Jim Egan and Jonathan Simon, in “From Public Service Broadcasting to Public Service Communication” – edited by Damian Tambini and James Cowling, IPPR.

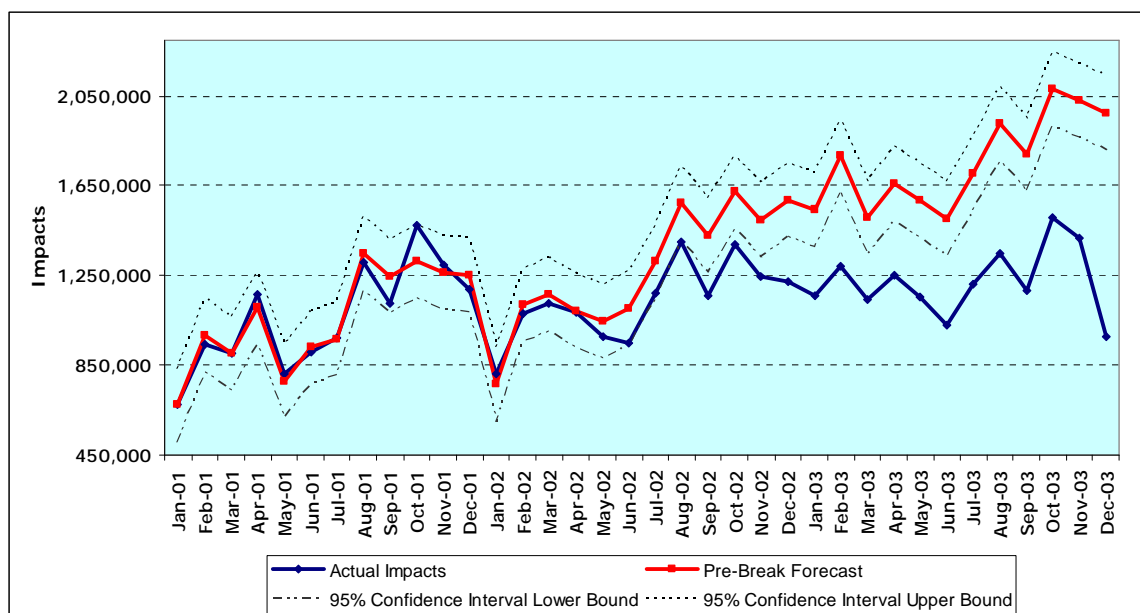
⁵ The model design was commissioned from DGA Metrics and is in continuous development.

The methodology had to be robust enough to adjust for these and other factors.

Figure 1 below shows one output of this exercise. It measures the trend in advertising 'impacts' before the break and shows the difference between the forecast and the actual impacts following the break. ('Impacts' are the currency which a broadcaster 'sells' to an advertiser.) As will be seen, the divergence is considerable and wider than could be accounted for by statistical variances. The following chart displays the findings.

Did the launch of the BBC Children's Channels cause a Structural Break?

Figure 1: Trend vs Out-turn, treating February 2002 as a break point



Source: DGA Metrics

On the basis of these findings, the consultants estimated a long term annual revenue loss of £14 (the midpoint of the confidence interval) across all the commercial children's channels.⁶

The loss of revenue had a specific impact on the output of one digital channel, Nickelodeon. According to Howard Litton, General Manager: *"Before the launch of CBBC, Nickelodeon's programming policy aimed to provide a mixed genre schedule and to rapidly build up a slate of original production that fitted its unique brand values. It was developing shows that encouraged learning and development from a kid's perspective, about the world at large*

⁶ Professor Patrick Barwise reviewed this model ahead of his report on the BBC Children's Channels and some modifications were made. His comments were useful but his conclusion - that it overstated the loss - was, we believe, impressionistic. One particular hypothesis - that advertisers concentrated more heavily in peak time following the increased competition from the BBC channels - has been investigated for Nickelodeon and has not been found to be substantiated.

and about family and peer relationships. Nickelodeon had to change its strategy after the BBC entered the market and shifted to a more entertainment-focused schedule. It dropped shows such as BAFTA-winning Nick News to focus more aggressively on key acquisitions."

The scale of the impact identified and its consequences should not surprise Ofcom. Its second report acknowledges that *"modelling work undertaken on behalf of Ofcom"* suggests that the *"BBC's ability to take share from some specialist niche cable and satellite channels could be extremely important for their viability"* and refers to Ofcom's own work on advertising 'elasticity', which indicates that *"niche channels...can be expected to lose significant revenues if their audience share is hit by the presence of BBC competition"*.⁷ But where are the policy proposals, or even expressed concerns, that follow from these findings, which in themselves appear to contradict Ofcom's statement that it could find "no evidence" of crowding out?

We believe Ofcom should expose this work more fully in its next report as part of a determined effort to fulfil its own commitment to *"analyse the effects of crowding out as more evidence becomes available"*.

Implications for public policy

Children's channels are a special case, almost a genre in their own right, with a targeted and specific demographic that does not, certainly in the early age groups, watch much other output. In such cases the launch of a new or comparable channel would be likely to have a very direct and significant impact. With no likelihood of change in total hours of viewing and a finite market, audiences are inevitably diluted. The consequent loss of revenue must hit a channel's programme spend and therefore the quality of its output, forcing it to adopt a more competitive schedule. In a similar way a new thematic channel will have a direct impact on another channel of the same character.

The situation with mixed channels like BBC3 and BBC4 is more complex. They spread their impact more widely round the market. Significantly, the programming that will be most vulnerable is likely to be programming which is in limited demand and shows strong PSB characteristics.

This is why we think it essential that Ofcom should make a proper assessment of the costs and benefits of PSB programming on different delivery platforms. This would take a forward-looking approach, moving us on from the age of spectrum scarcity, which is now so clearly in its dying phase.

⁷ A change in advertising impacts does not always mean an equivalent drop in revenue. If something is essential its supply is described as "inelastic" and a drop in supply may cause an equivalent rise in price, so that total revenues remain as before. However, if something can easily be substituted, a reduction in supply will mean a drop in revenue. Recent work on the supply of children's advertising on private digital channels suggests that it is relatively "elastic". That means a reduction in impacts hits revenues hard.

For example, what is the point in imposing a low-audience but socially valuable programme on a free-to-air channel such as ITV, if this incurs a significant economic loss, when the same programme could be seen by its target audience at a low consumer cost on a digital channel or even free on a smaller FTA channel, of which there will no doubt be many in the future? The old argument was that there was no other option. With the demise of that argument came others: for example, PSB programmes should be widely seen and would get an 'inheritance' from popular programmes. However, Ofcom, after examining the transition on BBC1 from Neighbours to the News, specifically rejects this effect. People watch the programmes they want to watch, and will find them. That is the world PSB has to inhabit now.

PSB policy must look to the end of spectrum scarcity. The maintenance of accessible PSB programming will need a strongly motivated private sector, accompanied by a measured application of public funds, to stimulate the production of the residual programming that the market does not provide.

6. Funding of PSB

No issue is more material to the future of PSB than its funding.

A rationale for public funding?

Section 4 of the Ofcom report is entitled "*How much PSB should society fund in the digital age?*" One finding to be drawn from it is that the public, in general, recognises the need to pay for PSB and is willing to pay for it. However, the chapter on Funding does not, in our view, fully address the question it poses. We do not yet think Ofcom has come up with the right answers on how to set the total requirement for funding and how to determine its allocation.

The chapter starts with Ofcom's definition of the general conditions under which public funding for TV is justified. The Phase 2 report specifies that there must be a gap between people's expectations as citizens, and market provision; it must be highly appreciated; and there must be a public desire to pay collectively.

The report acknowledges that, in the digital age, part of the rationale for subsidising PSB declines because of market provision. Citizenship benefits decline as fewer people watch subsidised channels or programmes. Value for money diminishes because the cost per viewer increases as a result. These factors may lead to a requirement, as the report puts, for "*a lower real level of PSB subsidies*".

A fiscally responsible review of the funding issue, if you take a Treasury view, would no doubt want to pay careful attention to these arguments. However, there is no systematic attempt to weight – or propose a methodology for weighting – the relative importance of these factors or show their influence on policy.

Instead the chapter embarks on a general survey of what an unsubsidised TV landscape might look like, a rough estimate of what total TV revenues would

be in such an environment, and a high-level study of public funding across global TV (the McKinsey report to which we have already referred).

We do not find that these projects, interesting as they are, take us any further to determining the real level of public subsidy needed here in the UK, now and in the future.

In reaching its conclusions Ofcom relies heavily on analysis conducted for it by MORI in which a number of consumer panels were taken through a “deliberative” process to help them reach a considered view on PSB funding.⁸ This is an important and interesting piece of work. In putting so much emphasis on this work, Ofcom clearly wished to stress the importance of voluntary support for mandatory PSB funding in the digital world.

However any conclusions based on this exercise would need to be treated with caution, as the report acknowledges. The panellists comprised a small sample. The exercise took panellists through various learning phases, which do not bear a close resemblance to the way real life decisions are made. Moreover, the ‘scenarios’ provided to the respondents related only to the five terrestrial channels with PSB obligations. In spite of this it was evident that some respondents thought the main task of providing some PSB genres had been taken over by thematic channels. As one respondent said: *“...if you want to watch documentaries you can watch them on the documentary channel... We’ve paid for that already”*.

The conclusion of this work was that a cross-section of the public felt that the BBC licence should be continued at about its present level, with a small amount of additional funding to maintain some PSB genres, in particular national news, on the commercial channels 3,4, and 5. (The groups had difficulty understanding the subsidies for channels 3,4, and 5, thinking of them as “entertainment channels”.⁹) Top of the scale of “essential” elements of PSB were News on BBC1 and ITV, current affairs on BBC1, BBC2, ITV and Channel 4, big budget science and nature programming on BBC1 and BBC2, and multicultural integration in programming on all channels.¹⁰ According to this research, the retention of some core PSB genres on commercial mainstream channels was viewed as very important.

Future-proofing the public funding system

A second finding was that respondents supported the licence fee system as the best compromise for funding PSB. They strongly opposed using the tax system to fund the BBC. Said one respondent: *“I’m not going to pay for*

⁸ This uses an approach called “conjoint” analysis, which induces respondents to consider costs in connection with benefits. It can therefore be considered closer to real decision-making than either “willingness to pay” which may not anticipate the consequences of non-payment or a simple wish-list of benefits with no accounting for costs.

⁹ The term “public service broadcasting” was not used unless raised by participants. Discussion focussed on the relative strengths and weaknesses of particular schedules.

¹⁰ See Valuing PSB: the view from the audience, MORI, 2004,

someone's entertainment, that's like me working and paying for them to have a drink..."

Influenced by this work, Ofcom comes up with a *BBC-licence-fee-plus-some-more* formula to determine the spend on PSB in the future.

However the above remark about a taxation option for the BBC, does signal a problem with a channel-based system of PSB, -- that is, funding particular channels with a remit to mix entertainment and PSB --, even if it now has public support. Because it is important to win consent, such systems rely on an acceptable trade-off between entertainment and PSB. People do not want entertainment funded out of taxation. This is why we believe that PSB funding will inevitably move to a more targeted, genre- or programme-specific model, applied specifically where it is needed.

Willingness to pay the fee will always be a function of the precise mix offered by the BBC at any one time, the availability and content of other services, and the perceived value of the BBC package. These factors are contingent upon each other and fluid, now more than ever as the country converts to digital. The BBC must, as it has done before, vary its offering in order to maintain the perceived value of the fee. This is not a criticism of the BBC: the licence fee system has worked well. But this mixture of entertainment and PSB is its defining condition.

If "*society*" has to take a view on "*how much PSB it should fund*", willingness to pay a BBC licence fee or equivalent cannot be the measure. If "*society*" is to impose a financial obligation (as it does on the case of the licence fee), then a government has to determine what is really needed, and, subject to a careful review of costs and benefits, determine the best course of action.

We believe most people will come to see the BBC offering as one among many, some free, others with varying price tags. The BBC's ability to retain an adequate level of support for a mandatory fee will, as ever, remain down to its ability to present a value mix that aggregates enough public support. This makes the BBC's ability to deliver PSB highly contingent on many factors that are uncertain and impossible to predict with accuracy.

Not only is willingness to pay the BBC licence fee highly contingent on the mix of entertainment and PSB, but support for the licence fee is, even now, very finely balanced. According to research conducted for the Phase 1 report, about a third of the population do not support "the general idea of the licence fee". DCMS research for its Charter review, showed support for the licence fee averaging only 46% of households, with 43% saying that the licence fee did not deliver good or fairly good value for money. Views on the fee are particularly negative among Sky households and younger viewers.

If willingness to pay a BBC licence fee cannot determine how much PSB "*society should fund in the digital age*", how should this be done?

"*Society*", meaning Government, needs to determine which types of programming have a significant 'opportunity cost' and whether, when alternative provision has been considered, they offer justifiable social benefits. ('Opportunity cost' can be defined as the loss incurred on a

commercial channel by an obligatory PSB programme relative to what it would have earned from a programme it would otherwise have chosen to transmit.)

An equivalent analysis can be done for BBC programmes, where a very high cost per viewer indicates a high rate of transfer from the majority of viewers to a small minority.

We therefore believe that the arguments advanced so far in this response indicate key ingredients of a new subsidy policy.

It should set PSB priorities, as Ofcom has done, but with a greater degree of specificity.

It should track the decline of market failure and the proliferation of programming with PSB values outside the subsidy system. (Ofcom may have identified the "*implicit*" subsidy about to be lost to the system but they have not yet justified its full replacement.)

It should be fully aware of "crowding out" and actively avoid it.

This will, in turn, require an organisational structure that is free to select the most efficient and appropriate distribution system available.

7. Distribution

The risks of a PSP

The second Ofcom report, while accessing a wide range of advice and analysis, moves firmly towards a specific recommendation: a publicly-funded body – the Public Service Publisher (PSP).

The summary of our argument above should already indicate that this proposal has not been given enough consideration.

SCBG thinks the proposal poses huge risks. Launching new channels or programme brands is, indeed, a hazardous business – witness BBC Three and BBC Four, characterised in Professor Barwise's recent independent report as still receiving extremely low viewership and offering poor value for public money. The PSP is unlikely to build audiences fast, for it will be a new brand in an already crowded world. Early in its life it could feel the need to dilute its PSB remit or widen its appeal, for it will, rightly, be the subject of intense public scrutiny.

Thus the PSP replicates the problem of the BBC licence fee. With a fixed budget and a need to establish popular recognition, the proportion of PSB it is able to deliver will be indeterminate, depending on many factors.

It will also have to set up its own distribution system.

Distribution by thematic channels

The private digital thematic channels have distribution systems ready-made for public service programming, as has already been demonstrated. This offers opportunities for efficient, original and imaginative ways of distributing PSB to audiences, opportunities that have not been glimpsed by the Phase 2 report.

In addition, private digital channels could offer significant innovation and efficiency gains in the way PSB is delivered.

The flexibility and sheer capacity of digital channel systems could permit them to undertake contracts to reach specified target audiences with PSB programming, something that the current PSB system has never done: for thematic channels can exploit their willingness to repeat programming and their ability to deliver it through a range of different brands with different demographics. They might even develop an 'impact trading' network.

It is to Ofcom's credit that it has explicitly recognised "implicit subsidy" and placed it firmly in the policy frame. If certain kinds of programmes cause economic losses to commercial channels, those losses must either be matched by explicit or implicit subsidy, or those programmes will sooner or later be discontinued. In other words, unless the implicit subsidy equals the "opportunity cost" of transmitting PSB, the system is unstable.

But we can turn this round another way. That "opportunity cost" could equally be the price of placing a subsidised programme on a commercial channel. The cost of placement will vary widely by channel, depending on the channel's average audience, the type of programme it normally shows, its average revenues and the sources of that revenue. This could be the way, in future, by which PSB is placed on the channel, or combination of channels, determined by the need to target a given audience in the most efficient way.

This would ensure that, where certain kinds of PSB, considered essential, are simply not economic for a commercial provider, a body responsible for the public funding of broadcasting could seek the least-cost provider of that distribution, i.e. the channel or channels able to deliver the maximum reach at the lowest price.

Why such an approach should in Ofcom's view be more "bureaucratic" than a dedicated channel or administrator of branded blocks is not clear. It will require the same amount of accountability, and avoid the cost of maintaining its own carriage and distribution system.

Moreover those who oppose our view will be hard pressed to answer this question: what is to be done if a significant part of the population ceases to watch subsidised PSB output?

The MORI report refers to people who watch little terrestrial TV: "*several in London and Cardiff claimed to watch only the Discovery Channel*". A surprising number of viewers fall into this category. As this group grows, PSB policy, if it wishes to reach them, will have to consider how to do so. In the four-week period ending on 31/10/04, 1,773,392 people, 5% of the

population in Multichannel homes, did not watch any BBC channels for more than 15 minutes in total, and just under a million people did not watch either BBC or channels Three, Four or Five.¹¹ This constituency needs to be carefully monitored by any body responsible for PSB support.

As we have seen above, the private digital channels are already the dominant providers of large swathes of PSB programming, offering significant amounts of programming that meet PSB objectives and characteristics as defined in the Phase 2 report. They also uniquely address a particular group of viewers. If, therefore, thematic channels are already delivering large volumes of PSB, and if there remain gaps in that provision, or in residual programming felt to be socially desirable, thematic channels are an ideal additional vehicle to secure its optimal distribution.

A public-private partnership for the digital future

Ofcom stresses the need for the widespread availability of PSB. But it should not confuse “availability” with programming exclusively provided on traditional free-to-air services. In truth there are no free services. The BBC is paid for by the licence fee, pay services earn revenues from subscription, and the price of watching commercial channels operating under the traditional PSB system is less minutes of viewing and the inconvenience of interruption. There are even lower-cost distribution systems on the horizon, but they have yet matured into fully-fledged carriers of audiovisual entertainment. “Availability” now equals access to something on the particular service you choose to pay for. Publicly supported programming should be distributed at no incremental cost to the viewer, and all services have the ability to offer unencrypted output. However, these services will in future have to be used in combination if the public is to be adequately reached.

The very arguments for pluralism advanced by Ofcom support the argument for the use of private digital channels and their unique reach.¹² *“Different broadcasters,”* says the report, *“are able to reach a wider range of viewers in different demographic and socio-economic groups...There is every reason to expect that in the digital age, the reach of PSB programming would be higher if it were distributed by a range of suppliers.”*

The highest possible reach for PSB must surely be the permanent aspiration of its funding system. What we hope to have added to the mix is some more detail on how the huge potential of the digital channels can best be realised.

¹¹ The methodology calculated a 15” reach for All Individuals (4+) on the specified channels.

¹² This is particularly well demonstrated in Figure 5.2 of the Ofcom report. This displays the profile of many different channels. While the analogue terrestrial channels average audience cluster near the centre of the diagram, the numerous digital channels surround them, populating the outer reached of every quadrant of the chart.

Little has been said so far about new media. We are not far from the time audiovisual content of equivalent resolution to TV will be receivable by broadband and mobile telephony. New portable and fixed storage devices are becoming available. We have argued above that PSB support should be channel neutral. We would argue strongly that it should also be platform neutral, for it is impossible to determine the optimum for a given item of PSB more than a few years ahead.

This is why we believe that the body responsible for funding PSB should avoid over-commitment to a particular distribution path. It is also for this reason that the SCBG thinks the current design of the PSP has not yet been fully thought through. The logic of our argument and, we believe, of much of the work commissioned by Ofcom in its review of PSB, is that the residual supply of PSB programming, that is, programming required because the market has failed or where a social need is identified as of pressing importance, needs a body well able to assess where it is really needed, and what would be the best way of providing it.

Having determined the residual funding needed, the funding body should take advantage of the full breadth of available distribution, in new and old media, commissioning and placing programming to maximise value and availability. In this the private digital channels would expect to play their part as both producers and distributors of commissioned programming.

We believe the Treasury should and will have serious reservations about Ofcom's PSP proposal as it stands. For the same reason, a levy of broadcaster profits would be wholly unacceptable and completely without justification.

We believe the right way to maintain and strengthen PSB is to determine the precise need for it and, in satisfying this need, to maximise the contribution of the private sector. Thus we wholly support Ofcom's stated aim to:

- *"make full use of new technology and distribution systems:*
- *offer true value for money; and*
- *fill the gap that will be left in the market."*

However the PSB as proposed fails to meet those objectives.

The right way to maintain and strengthen PSB is to determine the precise need for it and, in satisfying this need, to maximise the contribution of the private sector.

Further information and analysis may be provided at a later date. SCBG will do its best to meet requirements for further information.

The SCBG would like to thank David Graham for acting as consultant on this report and DGA Metrics for supplying the data.

APPENDIX: SATELLITE AND CABLE PROGRAMMES IN PSB GENRES

7.1. "To inform ourselves and others and to increase our understanding of the world, through news, information and analysis of current events"

7.1.1. UKTV:

NORTHERN IRELAND WEEK 28 JULY TO 2ND AUGUST 2003

Prefiguring the recent developments in Northern Ireland UKTV History ran innovative programming selections giving all sides of the Northern Ireland troubles, with specially commissioned commentary from Peter Taylor, respected journalist and the leading documentarist in this area.

Microgenre®: Current Affairs – Report/Investigation - Political

GULF WAR WEEKS 1 19 – 23RD JAN 2004 AND 2 15 – 20 MAR 2004

Contributing to the public debate in the run up to recent combat activity UKTV History programmed a special selection of programmes with originated material from John Simpson and Ragae Omar.

Microgenre®: Current Affairs – Report/Investigation - Political

DEATH PENALTY DEBATE 25TH SEPT 2004

An evening of programming using a specially commissioned poll on the UK public's views on the death penalty in the UK, to explore the background to the decision to abolish it, the views of those for and against its re-introduction in the UK and the contrasting position of the US. Featured interviews from the victims of Jeremy McVeigh to Clive Stafford Smith, a prominent UK lawyer who campaigns for those on death row. The programming provided an evening's perspective on the issue played out during a live studio vote hosted by John Snow.

Microgenre®: Factual – Debate/Discussion – Crime/Legal

DEATH OF YUGOSLAVIA 23RD 28TH FEB 2004

A personal history of the events, linking programming from the BBC archive on Yugoslavia's political breakdown and the rise of Milosevic with eye witness accounts of his developing power.

Microgenre®: Factual – Documentary – Foreign/International

7.1.2. SKY NEWS:

SUNDAY MORNING WITH ADAM BOULTON

Weekly Sunday-morning magazine, featuring interviews with the people who have been making the week's headlines.

Microgenre®: Current Affairs – Magazine - Political

7.1.3. DISCOVERY:

REPORTERS AT WAR

Series of programmes in which journalists recount their experiences of covering conflicts, and the role of the media in modern-day warfare.

Microgenre®: Current Affairs – Investigation/Report – Media/IT/New Media

AGE OF TERROR

Documentary examining the issues that fuel today's expanding problems of political violence and international terrorism.

Microgenre®: Current Affairs – Documentary – Political

7.1.4. MTVNE:

STAYING ALIVE

Programmes in this strand include a one-hour documentary in which young people from Israel, Palestine, South Africa and Burma met and discussed current issues with Nelson Mandela; promo campaigns promoting safe sex and HIV awareness; and a half-hour news special about AIDS awareness.

Microgenre®: Current Affairs – Magazine – Political

Microgenre®: Current Affairs – Investigation/Report – Social Issues/Predicaments

CANNABIS SHORTS

A series of short programmes exploring issues related to cannabis.

Microgenre®: Current Affairs – Short – Social Issues/Predicaments

MTV OPEN MINDS

4 x 1-hour programmes featuring discussions on HIV, homelessness, drugs and sex workers.

Microgenre®: Current Affairs – Discussion – Social Issues/Predicaments

MTV EXIT

Half-hour documentary, plus a series of 5-minute films, highlighting the issue of human trafficking in Europe.

Microgenre®: Current Affairs – Documentary – Social Issues/Predicaments

7.1.5. LIVING TV:

CHILD SNATCHERS

Documentary series looking at the subject of spousal abduction of children and following the stories of those who have tried every means to get their children back.

Microgenre®: Current Affairs – Documentary – Social Issues/Predicaments

7.1.6. BRAVO:

ALL ABOUT MEN

Lifestyle magazine covering topics such as fashion, health and relationships.

Microgenre®: Factual Entertainment – Magazine – Modern Life/Lifestyle

7.1.7. TROUBLE:

LET'S TALK ABOUT SEX

Strand of programmes offering information to young people about sex and relationships.

Microgenre®: Factual – Expert Advice/Evaluation – Childhood/Growing Up

7.1.8. NICKELODEON

GET THE SKINNY

Bafta nominated Nick UK factual entertainment

co-production where kids highlight current events from a kid's perspective.

Microgenre®: Children's – Series - Topical

7.1.9. THE CHINESE CHANNEL:

WORLD NEWS

Daily 25 minute broadcast in Cantonese and Mandarin languages providing world news from a UK Chinese perspective, for Chinese living in the UK and Continental Europe. Produced in Teddington by Chinese Channel and broadcast on TVBS-Europe (Astra 1). Subscription.

Microgenre®: News/Weather – Studio-based – Foreign/International

7.2. “To reflect and strengthen our cultural identity, through high-quality UK national and regional programming”

7.2.1. UKTV:

THE PEOPLE’S POLL

50 years since the first official market research code-of-conduct was established in the UK this one-off, 68-minute documentary celebrates and investigates the minutiae of British life. The central editorial thrust of the programme is a comparison between the worlds of 1954 and 2004. The poll asked the questions asked in 1954 today, to see exactly how we have changed over the last 50 years, possibly using data from The Gallup International Public Opinion polls: Great Britain 1937 – 1975 as well as other questions relevant to today.

Microgenre®: Factual – Documentary – Popular Culture

TIME TRAIL

Using local history experts, a look at individual places, buildings or sites and then draw wider, universal lessons from them that apply equally to other parts of the country. The emphasis is advice as to how the audience can do their own more specific research using public records and parish registers, or how to trace their own family trees.

Microgenre®: Factual – Documentary – History: Events/Places

THE HOME FRONT

A six-part series about life in the UK during the Second World War. It focuses on the lives of ordinary people and include reconstruction of some of the key events and experiences. The main themes involve include the blitz and its impact on London and other industrial cities in the blackout, air raid and Anderson shelters and sleeping in the Tube. The effect the war had on families is investigated with rationing, the black market and Christmas during WW2, the evacuation of children and bereavement. The wider national impact involves The Home Guard, German POW's and camps, women in the Land Army and munitions factories and preparations for German invasion. The role of Americans stationed in the UK and Propaganda is also covered.

Microgenre®: Factual – Demonstration/Reconstruction – History: Events/Places

KINGS AND QUEENS OF GREAT BRITAIN

A series of programmes built around the lives of kings and queens in a given historical period from 1066 to the present day. Their lives are also used as a springboard for telling the wider narrative of that period. The series also explored republican sentiment and gave a rounded diverse view of the relevance of monarch in British Society.

Microgenre®: Factual – Documentary – History: People

STYLE STREET

Extolling and empowering community action, these programmes features real streets with real people and real advice, ideas and inspiration for family, gardens and homes. Each week from a different street in Britain, the show uses the imagination, expertise and drive of the residents to bring community life to area, with advice on how to sustain it with outdoor community programmes such as communal gardens.

Microgenre®: Factual Entertainment – Makeover – Modern Life/Lifestyle

7.2.2. BRAVO:

BOOZE BRITAIN

Documentary series looking at the rise of the binge drinking culture in the UK.

Microgenre®: Current Affairs – Documentary – Social Issues/Predicaments

STREET CRIME UK

Observational series following the work of the police are dealing with rising crime around the UK.

Microgenre®: Factual – Series – Police/Crime

7.2.3. HISTORY CHANNEL:

A SMALL PIECE OF HISTORY

Oral history project, with dedicated website.

Microgenre®: Factual – Short – History: People

FAMILY HISTORY PROJECT

Short programmes and related web feature.

Microgenre®: Factual – Short – History: People

EMPIRE

Documentary series about the history of the British Empire, presented by Dr Niall Ferguson. (Previously shown in 2003 on Channel 4).

Microgenre®: Factual – Documentary – History: Events/Places

7.2.4. ARTSWORLD:

POETS UNBOUND

Programmes featuring British poets reading from their works on location.

Microgenre®: Arts – Performance – Literature/Writers

ARTISTIC CONVICTIONS

Roger Graef's 6-part series on the transforming effect of the arts in Britain's prisons.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Human Behaviour/Psychology

7.2.5. TROUBLE:

SMOKE SCREEN

Series of short programmes about smoking.

Microgenre®: Factual – Expert Advice/Evaluation – Diet/Fitness/Health

LEAVING HOME

Strand of programmes that looked at the problems of homelessness among teenagers.

Microgenre®: Factual – Series – Social Issues/Predicaments

TALK TO THE HAND

Discussion show in which teenagers tackle issues such as sex, drugs and fashion.

Microgenre®: Factual – Talk Show – Social Issues/Predicaments

7.2.6. DISCOVERY HEALTH:

PRIVATE LIVES OF GIFTED CHILDREN

A look at the lives of four children, each of whom has a unique ability.

Microgenre®: Factual – Documentary – Human Achievement/Exploration

7.3. "To stimulate our interest in and knowledge of arts, science, history and other topics, through content that is accessible, encourages personal development and promotes participation in society"

7.3.1. UKTV

WAR WOMEN

A four part series presented by Kate Adie, tracing the history of women at war, following their progress from tribal warriors and nurses at the front, to agents and spies, as well as their contribution to the image of war through painting, poetry, photography and writing.

Microgenre®: Factual – Documentary – War/Military/Weapons

WW2 REVISITED

This series sees and hears former enemies tell their side of the story. The programmes bring together the veterans of both armies to meet again on the battlefields of the Second World War, with first hand accounts of battles which determined the fate of the world. The series compares the testimonies of the veterans of each side revealing contrasting attitudes to the fighting and to war itself. Includes specially filmed interviews with veterans from the Allied and German side of World War 2, rare footage, and previously unseen memorabilia and photos.

Microgenre®: Factual – Documentary – War/Military/Weapons

THE RISE AND FALL OF MARGARET THATCHER

A programme combining BBC news reports, daily bulletins and captions to paint the overall picture of Thatcher from her time as Minister of Education in 1970 to her ousting as Prime Minister by her own party in 1990 tracking its ramifications on the United Kingdom's politics today and its place in Europe.

Microgenre®: Factual – Documentary – History: People

ATTENBOROUGH'S LIFE ON EARTH:

Series about the making, importance and legacy of 'Life On Earth'. An interview with Sir David, as well as other producers, cameramen and executives involved in the original production.

Microgenre®: Factual – Documentary – TV

LEARN TO GARDEN

Over thirteen shows Stefan Buczacki leads the novice gardener through the chief lessons that anyone must learn in order to get the most out of their garden.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Gardening/Horticulture

THE GARDENING GUIDE

Stefan Buczacki takes his gardening road show around the country solving the gardening problems that members of the public bring to him. The series also includes an 'A -Z of Gardening' containing tips and information.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – Gardening/Horticulture

STEFAN'S ULTIMATE GARDENS

Featuring some of the best specialist gardens in the UK.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – Gardening/Horticulture

THE WEEKEND GARDENER

This project-based series illustrates what can be done in a normal suburban plot. Chris Beardshaw shows what to do, and how to do it. As a lecturer at a leading horticultural college he has a passion for plants, and we see examples of the project in question and different solutions to the same problem.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Gardening/Horticulture

WATER GARDENS

The aim of the series we will be to show the audience how to tackle 15 different water features and give them inspiration for designs of their own. In each programme we visit a site, talk about the design, draw up plans, get the materials and do the work to complete a water project by the end of the show. We'll also incorporate an inspirational visit at the beginning of each episode to give the audience a sense of what they're aiming at and talk about the broader aspects of designing areas of the garden which include water.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Gardening/Horticulture

MODEL GARDENS

An innovative new series that revolutionises garden design by teaching three-dimensional modelling. Model Gardens follows the process from design to completion. Shunning conventional 2D plans in favour of detailed 3D models, Sven helps them visualise exactly how their new garden will look by using modelling kits.

The programme also has a model garden kit to accompany the series

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Gardening/Horticulture

THE FLOWER SHOW

Jane Packer, florist to the stars, presents a series using flowers and greenery interior design, decorating and gift making.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – DIY/Interior Design/Property

WHICH CRAFT?

A practical and inspiring show that combines the city-dweller's fascination with traditional arts and crafts with the general viewer's taste for fun, accessible and thrifty creative ideas.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Hobby-based/Crafts

HOW DOES YOUR WALLPAPER HANG?

A show for home decorators and interiors enthusiasts, the show comprises an expert panel, a studio audience, one-on-one problem surgery and an endless collection of ideas, tips and competitions.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – DIY/Interior Design/Property

OUR HOUSE

Expert advice, DIY step by step guides and tricks of the trade on renovating a property. A host of familiar faces provide friendly expert advice as they completely renovate a neglected red brick 1950s family house and garden from scratch.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – DIY/Interior Design/Property

OUR HOME

Decoration and design guide with step by step guides to stylish finishing touches, craft techniques and insider tips. Gordon Whistance invites a different guest designer each week to make their stamp on Our Home.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – DIY/Interior Design/Property

PUT YOUR MONEY WHERE YOUR HOUSE IS

Put Your Money Where Your House Is gives straightforward and manageable solutions to every day problems in the property market. The series sees Property Developer Melissa Porter meeting homeowners who want to maximise the value of their property but who feel that certain aspects let them down. To get quickly to the root of the problem, Melissa invites a local estate agent to value the property and together they identify any problem areas or rooms that are reducing the value of the property. Once the problem has been identified, Melissa works up an achievable renovation plan and together with resident craftsman, Luis Gonzalez and his team, they set to work.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – DIY/Interior Design/Property

GET THE LOOK

15 x 30 mins

Designer Kathryn Rayward presents this brand new series helping people get the look they want for their homes. In each episode Kathryn meets a homeowner with a very definite idea about what look they want.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – DIY/Interior Design/Property

WHO DO YOU THINK YOU ARE?

This investigates the mental pictures and prejudices we build up of any chosen person's character, based entirely on their appearance. The programme take individuals and, initially unknown to them, we watch them on security cameras. Presenter, Paul Roseby, and his 'transformation team' (comprising a fashion editor and stylist and a psychologist) meet the person and show them tapes of what first impressions they have made on people who don't know them. The team then advises the chosen person on clothes, posture, and make-up to help them create a better impression

Microgenre®: Factual Entertainment – Makeover – Fashion/Beauty

SCIENCE ON THE BOX

A programme that celebrates 'how Britain fell in love with science'. The programme is to cover all the different faces and facets of science – from 'Tomorrow's World' ancient and modern to Raymond Baxter and the first trans-Atlantic satellite transmission, 'The Ascent of Man', moon landings, 'QED', boffins and the early OU, lectures over the years, the Robert Winston series, the human genome project and Colin Pillinger, as well the highlights of 'Horizon' itself.

Microgenre®: Factual Entertainment – Documentary – TV

GOOD FOOD LIVE

Presented by Jeni Barnett who is joined each day by a selection of top chefs who drop by and guide viewers through a selection of recipes. The programme features live recipes, good buys and serious nutrition.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Food/Wine

BEAUTY AND THE FEAST

This new UK Food series sees Dr Simone Lester and Tonia Buxton, a passionate nutritionist, meeting a group of work mates whose eating habits leave a lot to be desired. They demonstrate how easy it is to eat tasty, healthy versions of their favourite foods. Once the men have got to grips with healthy eating, one person gets the chance to sample some beauty treatments made from left over ingredients

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Diet/Fitness/Health

LIFE THROUGH A LENS

Life Through a Lens takes a look at the work of nine of the most influential and artistic contemporary film and video directors, focusing on the work of a different director each week.

Microgenre®: Arts – Profile – Artist/Performer/Musician

PUNK YEARS

A ten-part history examining the origins and impact of the punk movement of the late 1970's.

Microgenre®: Music – Documentary – Rock

STATE OF INDEPENDENTS: THE STORY OF POP

State of Independents takes a look at the world of the Independent record label and their influence on the music scene.

Microgenre®: Music – Documentary – Indie

7.3.2. ARTSWORLD:

STAR RECITALS

30 mins. Musical recitals. (Jeremy Isaacs Productions)

Microgenre®: Music – Performance – Classical

WALKING WITH SCULPTORS

3 x 50 mins in which top sculptors explain the ideas behind their creations as they take a tour around the pieces in Goodwood Sculpture Park.

Microgenre®: Arts – Documentary – Art/Design

ARTIST AT WORK

12 X 30 mins. A look at the working practices of some of Britains' leading artists, touring their studios and viewing their work.

Microgenre®: Arts – Documentary – Artist/Performer/Musician

THE EYE

Continuing series on contemporary British artists including Tracey Emin, Howard Hodgkin, Chris Ofili, Mona Hatoum, including substantial interviews with each.

UK independent production co-produced by Artsworld

Microgenre®: Arts – Interview – Artist/Performer/Musician

MASTERCLASS

Continuing series of theatre masterclasses based at the Theatre Royal Haymarket with an audience comprising drama students and people doing theatre studies at A-Level or in adult education.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Demonstration/Reconstruction – Theatre

HOT SEAT

Christopher Frayling series interviewing varied names from the world of the arts, including Peter Blake, Hanif Kureishi, Miranda Richardson, Gilbert and George.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Interview – Artist/Performer/Musician

FIRED EARTH

Series profiling some of Britain's leading ceramics artists and their works.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Profile – Artist/Performer/Musician

OUTSIDER ART

George Melly presents a two part documentary looking at artists outside the 'establishment', featuring individuals with no training, from no school or tradition.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Artist/Performer/Musician

BUILDING OF THE YEAR

Presented by Lord St John of Fawsley, an annual programme profiling the buildings shortlisted for the Royal Fine Arts Commissions title 'Building of the Year'.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Special Events/Awards – Architecture/ Buildings

TURNER AND VENICE

Exclusive documentary on the Turner and Venice exhibition at Tate Britain, which brought together for the first time over 150 of Turner's paintings of Venice (and Portsmouth).

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Art/Design

SAVED

Documentary on the The National Art Collections Fund centenary exhibition at the Hayward Gallery in London, featuring many of the items that the organisation has helped to in rescue.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Art/Design

THE COLOUR OF LIGHT: VERMEER AND THE DELFT SCHOOL

Exclusive documentary on the *Vermeer and the Delft School* exhibition at the National Gallery, examining the man, and his unsurpassed art.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Art/Design

WHO MAKES LARA RUN?

A documentary showcasing four of the UK's most gifted graphic designers specialising in computer games.

UK independent production commissioned by Artsworld

Microgenre®: Arts – Documentary – Animation/CGI

7.3.3. DISCOVERY:

VIRTUAL HISTORY

Documentary using innovative CGI techniques to re-create a moment of history that was never actually captured on film.

Microgenre®: Factual – Documentary – History: Events/Places

ROAD TO BERLIN

The comedian, and Oxford historian, Al Murray meets survivors of the Second World War and joins them as they revisit some of the battle sites of the conflict.

Microgenre®: Factual – Series – History: Events/Places

JOHN LYDON'S MEGA BUGS

The former punk rocker comes face to face with some of the planet's most interesting – but perhaps least popular - insects and arachnids.

Microgenre®: Factual Entertainment – Documentary – Natural History

7.3.4. DISCOVERY HEALTH:

THE COACH

Pete Cohen, a human behaviourist and health professional, helps people to get their lives back on track.

Microgenre®: Factual Entertainment – Expert Advice/Evaluation – Human Behaviour/Psychology

7.3.5. THE HISTORY CHANNEL:

AMERIKANTSI: THE LOST VICTIMS OF STALIN

Documentary about the Americans who travelled to the Soviet Union during the depression, then fell victim to Stalin's purges. (ORTV)

Microgenre®: Factual – Documentary – History: Events/Places

D-DAY

Historical documentaries marking the 60th anniversary of D-Day.

Microgenre®: Factual – Documentary – War/Military/Weapons

THE MASTER

Profiles of six master craftsmen. This series ranges from samurai sword-makers and mediaeval castle builders to shipwrights and gun-smiths

Microgenre®: Factual – Documentary – History: People

SHARPE'S WAR

Documentary series, presented by the author Bernard Cornwell, about the Peninsular War.

Microgenre®: Factual – Documentary – War/Military/Weapons

WORLD AT WAR

Thames Television's masterful series about the Second World War, narrated by Laurence Olivier.

Microgenre®: Factual – Documentary – War/Military/Weapons

ANCIENT DISCOVERIES

3 x 50 mins. Documentary series looking at startling inventions from the past. (Wild Dream Films)

Microgenre®: Factual – Documentary – Technology/Inventions

SAKHAROV: CONSCIENCE OF A COUNTRY

Documentary about the Soviet dissident scientist who became an outspoken critic of the former Russian regime.

Microgenre®: Factual – Profile – History: People

RADIOACTIVE: THE STORY OF MADAME CURIE

Profile of the pioneering scientist whose discoveries paved the way for cancer treatments and nuclear physics.

Microgenre®: Factual – Profile – History: People

7.3.6. NATIONAL GEOGRAPHIC:

THE MAKING OF EDEN

3 x 50 min programmes exploring the story of the Eden Project, from its beginnings to its opening in Spring 2001. (Gwynhelek Productions)

Microgenre®: Factual – Documentary – Tourism/Holidays/Attractions

JOURNEY OF MAN

Documentary in which the geneticist Spenser Wells traces the origin of today's 6 billion humans back to one man in Africa, 60,000 years ago.

Microgenre®: Factual – Documentary – Human Science/Human Biology

GOING TO EXTREMES

4 x 50 mins. Dr Nick Middleton visits the most inhospitable places on the planet.

Microgenre®: Factual – Documentary – Geography/Environment

SURVIVING EXTREMES

4 x 50 mins. Dr Nick Middleton looks at how humans survive in some of the harshest environments on the planet.

Microgenre®: Factual – Documentary – Human Achievement/Exploration

D-DAY: MEN AND MACHINES

Documentary looking at how the allied invasion of Normandy was put into effect.

Microgenre®: Factual – Documentary – War/Military/Weapons

JUNGLE

(2005) Natural history documentary.

Microgenre®: Factual – Documentary – Natural History

SURVIVING EVEREST

The sons of Hillary and Tenzing make their own ascent of the world's highest mountain to mark the fiftieth anniversary of their parents' world-beating feat.

Microgenre®: Factual – Documentary – Human Achievement/Exploration

EINSTEIN'S BRAIN

Documentary about the search by two British scientists for Einstein's brain, which was illegally removed for study after his death.

Microgenre®: Factual – Documentary – Human Science/Human Biology

THE GREATEST SHOAL ON EARTH

Wildlife documentary about the unexplained migration of sardines from the coast of South Africa to cooler waters in the north.

Microgenre®: Factual – Documentary – Natural History

SPIDER POWER

Documentary explaining how 400m years of evolution have led to the various web designs and hunting strategies exhibited by present-day spiders.

Microgenre®: Factual – Documentary – Natural History

BUILT FOR THE KILL

Documentary series about predators that have adapted to extreme environments.

Microgenre®: Factual – Documentary – Natural History

HOLY COW

Documentary that asks whether the cow is the most influential animal in human history.

Microgenre®: Factual – Documentary – Natural History

PESTS FROM HELL

Documentary looking at those creatures that have made themselves unwelcome around man.

Microgenre®: Factual – Documentary – Natural History

IN THE WOMB

(2005) A remarkable tour of every stage of a baby's development, using cutting-edge special effects to take the viewer on a journey from conception to birth.

Microgenre®: Factual – Documentary – Human Science/Human Biology

7.3.7. NICK JUNIOR:

BLUES CLUES

75 x 30 mins by Nick UK. Pre-school series featuring a live-action host and his animated puppy, Blue, who gives him clues that he and the audience can solve.

Microgenre®: Children's – Series – Games/Play – Pre-School

YOU DO TOO

50 x 30 minute episodes by Nick UK. Pre-school series featuring lots of things to make sing and do.

Microgenre®: Children's – Series – Games/Play – Pre-School

PEPPA PIG

52 x 5 mins. Animated series about a loveable little pig and the situations she finds herself in.

Microgenre®: Children's – Animation/Cartoon/CGI – Stories/Tales – Pre-School

FIFI AND THE FLOWER TOTS

52 x 10 mins. This model animation series launches in 2005.

Microgenre®: Children's – Model/Puppet – Stories/Tales – Pre-School

YUMMY YUMMY

Children make healthy, tasty food with parents.

Microgenre®: Children's – Demonstration/Reconstruction – Food/Wine

ARE YOU READY

A series of 6 short animations: eg are you ready to eat your lunch, feed your pet, go to sleep etc.

Microgenre®: Children's – Animation/Cartoon/CGI – Childhood/Growing Up – Pre-School

7.3.8. LIVING TV:

TINY LIVING

This is the pre-school strand shown each morning on Living, from 7am to 9am on weekdays, and from 7am to 10am on weekends. The range of programmes includes:

TINY AND CREW: Educational series featuring Tiny the wegosaurus and his friends, as they learn about subjects such as recycling.

Microgenre®: Education – Model/Puppet – Games/Play – Pre-School

BUSY BUSES Animated series about a group of colourful and hardworking buses.

Microgenre®: Children's – Animation/Cartoon/CGI – Stories/Tales – Pre-school

ELMO'S WORLD Puppet fun with Elmo (from Sesame Street) and his friends as they learn about the world around them.

Microgenre®: Education – Model/Puppet – Games/Play – Pre-School

PSYCHIC DETECTIVES

Paranormal techniques are employed to try and shed light on past crimes.

Microgenre®: Factual Entertainment – Investigation/Report – The Paranormal

MOST HAUNTED

A team of experts travel to the most haunted locations in Britain and Ireland to investigate paranormal phenomena.

Microgenre®: Factual Entertainment – Investigation/Report – The Paranormal

QUEER EYE FOR THE STRAIGHT GUY

A team of gay experts in fashion, interior design, food, wine and culture offer advice and a makeover to a straight man who needs help getting their life on track.

Microgenre®: Factual Entertainment – Makeover – Modern Life/Lifestyle

7.3.9. TROUBLE:

STUDENT ANIMATION

Regular transmission of animated works created by students.

Microgenre®: Arts – Short – Animation/CGI

BUMP AND GRIND

National competition to find the best young dancer.

Microgenre®: Arts – Elimination Competition – Music/Dance

7.4. “To support a tolerant and inclusive society, through the availability of programmes which reflect the lives of different people and communities within the UK, encourage a better understanding of different cultures and perspectives and, on occasion, bring the nation together for shared experiences.”

7.4.1. DISCOVERY HEALTH:

FACING IT

Documentary telling the story of a woman who suffers from a syndrome that severely distorts her face and has left her partially deaf, and about her training to become a doctor.

Microgenre®: Factual – Documentary – Human Achievement/Exploration

7.4.2. NICK JUNIOR:

LET'S DANCE

Live action with children, on the theme of dances from around the world.

Microgenre®: Children's – Series – Music/Dance

7.4.3. ARTSWORLD:

A LIFE IN DANCE

Three-part series on dance and choreography in modern India, showing the fusion of contemporary and classical Indian dance. Part of the *Out of India* season including Indian cinema, dance and music.

Microgenre®: Arts – Documentary – Music/Dance

ARTISTS UPFRONT

The last two decades has seen a flowering of the arts in aboriginal Australia. This series profiles artists who are redefining what is art and what is aboriginal.

Microgenre®: Arts – Documentary – Art/Design

THE KABUL ENSEMBLE IN EXILE

Documentary following the members of the Kabul Ensemble, a group of virtuoso Afghani musicians who have been performing the melodies of their homeland, which draw on the musical traditions of Iran and India, for nearly a decade. The film explores the ensemble's life in exile: their concerts, instrument-making, teaching, feelings for their homeland and plans for the future.

Microgenre®: Music – Documentary – World Music

DJOMEH

Award-winning film following a young Afghan refugee as he adapts to life on a small dairy farm in Iran.

Microgenre®: Movies - Cinema – Drama – Foreign/International

BESHKEMPIR

Recent cinema from Kyrgyzstan.

Microgenre®: Movies - Cinema – Drama – Foreign/International

LESSONS IN HARMONY

Documentary on Daniel Barenboim's West-Eastern Divan Orchestra, which brings Palestinian, Arab and Jewish musicians together in a bid to find common ground in music.

Microgenre®: Music – Documentary – Classical

ONE NIGHT THE MOON

An innovative music drama based on the true story of a young girl who goes missing in the Australian outback, and the prejudices that prevent her father accepting the help of an Aboriginal tracker.

Microgenre®: Movies - Cinema – Musical/Opera – Foreign/ International

MIMIH KONWUK

Contemporary dance exploring Aboriginal spirituality.

Microgenre®: Arts – Performance – Music/Dance

7.4.4. UKTV:

BAREFOOT DOCTOR

This series is an alternative look at health issues built round Stephen Russell who writes for 'The Observer' and has been in practice for over 20 years. Specialising in 'personal crisis management', he teaches Taoism, Chinese medicine and t'ai chi. In each episode, he will treat three individuals who want to improve their lives, they'll try out his advice and we'll see how they get on.

Microgenre®: Factual – Expert Advice/Evaluation – Diet/Fitness/Health

SAVING PARADISE

13 x 30 mins

South East Sulawesi, Indonesia, is one of the world's least explored regions – a land of impenetrable forest coral reefs. It is also the home of Operation Wallacea, a UK-based charity whose mission is to save a corner of this unique and fragile pocket of wilderness from the threat of logging and blast fishing, using a pioneering fusion of frontline science and adventure. This is a positive, people-led, 13-part series from a region which primarily generates bad rather than good news.

Microgenre®: Factual Entertainment – Docu-soap – Human Achievement/Exploration

Delhi Belly

15 x 30 mins

Sanjeev Bhaskar, star of Goodness Gracious ME, presents a show that looks at the world of Indian food through a UK perspective. A mixture of locations, Delhi Belly enjoys cookery in London and location films from India the programme looks at the similarities and contrasts between India cuisine in both countries.

Microgenre®: Factual Entertainment – Investigation/Report – Food/Wine

COCONUT COAST

15 x 30 minutes

Shot entirely on location in the Malabar region of Kerala, this 15 part series will be as much a feast for the eyes and senses as the palate. Unusual and mouth watering dishes in exotic and beautiful locations - Stylish Anglo Indian star chef, Reza Mahammad, takes us through a different spice in each programme from seeing it growing to harvest. The viewer is shown the way the spice is prepared and the wide variety of uses for the particular spice, ranging from health applications to delicious snacks and mouth-watering dishes.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Food/Wine

STREET CAFE

‘If you reject the food, ignore the customs, fear the religion and avoid the people, you might better stay at home’. This quotation is the mission statement for this travel, culture and food series - which aims to get under the tourist skin of the countries it visits. Presented by Dan Roland, goes to Brazil, Morocco, Vietnam and Japan

Microgenre®: Factual Entertainment – Series – Travel

THE THAI WAY

13 x 30 minutes

Thai restaurants and cafes are springing up in Britain all the time, there is increasing interest in the food and Thailand has overtaken India as the favourite long-haul destination for British tourists. This is a location series primarily about the many, different kinds of food and cuisine found there but which also clearly includes travelling, meeting people and discovering some of the Thailand the tourists don't always see.

Microgenre®: Factual Entertainment – Demonstration/Reconstruction – Food/Wine

7.4.5. THE HISTORY CHANNEL:

THE FAMINE THAT CHANGED THE WORLD

Documentary looking at the story behind Live Aid in 1985, the rock concert conceived to raise funds for famine relief in Ethiopia.

Microgenre®: Factual – Documentary – History: Events/Places

7.4.6. THE CHINESE CHANNEL:

NETWORK CHINATOWN.

Occasional weekly. 45 minute programme covering issues relevant to 2nd-generation British Born Chinese living in the UK, in Cantonese and Mandarin languages. Produced in Teddington by Chinese Channel, and broadcast on TVBS-Europe (Astra 1). Subscription.

Microgenre®: Factual – Magazine – Sociology/Ethnography

EUROPEAN TRAVELOG.

Occasional weekly. 30 minute programme in Cantonese and Mandarin languages covering travel and culture in the UK and Continental Europe from a Chinese perspective. Produced by Hong Kong TVB, and broadcast on TVBS-Europe (Astra 1). Subscription.

Microgenre®: Factual – Magazine - Travel