

Public interest content and the role of the PSP

Paper prepared for Channel 4 by Robin Foster March 30, 2007

Introduction and summary

The last four years have brought a growing realisation that the UK media landscape is undergoing radical change, with significant implications for the future role of public service broadcasting (PSB) or what might perhaps be better described as public interest content. Is it still needed? What aims should it have? What form should it take? How much should it cost? This paper summarises the nature of those changes and their implications for future policy, with particular reference to the possible role for the public service publisher (PSP), and for Channel 4.

Its broad conclusions are:

- Increased competition, choice and the enhanced functionality offered by the future media landscape, including digital interactive media, will address some of the key factors which have been used to justify public service broadcasting in the past, and may ultimately reduce the need for continued public interest intervention on its current scale.
- Nevertheless, there will remain some key social goals and values which the market alone cannot reasonably be expected to deliver, and which will justify continuing intervention for the foreseeable future.
- “New media” will not wipe out the “old”, at least for many years. Future policy objectives should therefore be framed in the context of the overall media landscape, with some interventions in the overall mix applying principally to conventional media, others to interactive and participative media, and others to a mix of the two (i.e. both “old” and “new” media).
- The balance of intervention will need to change as technologies, consumer behaviour and markets change, with some new challenges for public policy, which could best be addressed by new media, while other established areas of intervention become less important. Across old and new media, interventions should be based on clear market gaps or shortfalls.
- The PSP could provide a valuable role in supporting new media content as part of a broader system of interventions. As digital media markets are still developing rapidly, and the full extent of market provision has yet to be established, the PSP should support experimentation and innovation by a wide range of contributors – for example through seed finance or other forms of editorial, marketing or production support - rather than operate as a major new publicly-funded institution in its own right.

- Four areas of focus for PSP funding might include:

Creating a mediated space for public conversation and political engagement – as established broadcast news programming declines in popularity, a PSP could work alongside existing news services to provide imaginative new approaches to encourage and support public debate on key issues. The PSP could provide the space, context and analysis to help people understand the major social, economic and political issues of the day and to engage more effectively with them – with an open, accessible, participative and campaigning approach to raising awareness and stimulating action. The PSP might be better positioned to address disengagement among younger audiences than could more establishment-orientated broadcasters like the BBC, or could competitors with a more commercial agenda.

Building shared values – in a culturally fragmented society, a PSP could have an important twin-track role in bringing together the many different communities of the UK, providing platforms for shared experiences, interests and passions, and helping increase mutual community understanding. One approach would involve the PSP working closely with established broadcasters to build digital media initiatives around the issues and experiences covered by popular dramas, comedies and factual/reality programming – to help translate the shared experience of the TV world into the interactive broadband environment. In parallel, “micro” finance might be provided for community online “TV” sites run by and for specific communities, to extend shared experiences.

Unlocking the nation’s knowledge store – Although the broadband world will provide access to a wide range of online information and educational content, there might be a key role for the PSP in helping users find out about and access the interesting and innovative content produced by others, much of which currently struggles to attain reach. This might involve establishing an intelligent and critical guide or gateway to that content. Seed funding might also be used to help other institutions and bodies like museums, galleries, theatres and libraries purpose their content for the more interactive environment, and to promote its use by building links between those organisations and established broadcasters.

Supporting creative sector R&D – in a potentially increasingly US-oriented new media market, a PSP could play an important part in identifying and nurturing new digital production talent in the UK, funding digital media experimentation and working with broadcasters to offer a “ladder of talent development” within a broader cross-media training approach. This would help enable a progression from basic user-generated content on the web, to higher production value content distributed across traditional and digital media. The results of what might be termed creative sector R&D could then be made more widely

available to the benefit of society as a whole. The PSP, unlike major global commercial rivals – would have a strong focus on UK talent and audiences.

In conclusion, it is wrong to talk about “old” and “new” media as entirely different markets. It is better to consider an evolving media ecosystem in which old and new media will co-exist for some time to come, as they each have different and often complementary strengths. In all of the areas mentioned above it is likely that a combination of old and new media will be needed, although the balance for each area may be different and could change over time. The MTM report for Channel 4 identifies several challenges for existing public interest content online, including low reach and impact, inadequate and unpredictable funding models, and quality gaps. A strong relationship between the PSP and an established broadcaster, especially one with shared public interest values like Channel 4, could help address those challenges and deliver greater value from the public funding available.

The changing landscape

Much has been written recently about the fundamental changes taking place in the UK and global broadcasting marketplace, and the impact of those changes on public policy choices. The Ofcom PSP discussion document summarises many of the main developments, and my own paper (for the DCMS) on “Future Broadcasting Regulation” published in January 2007 contains a detailed annex on the key trends. The first Ofcom PSB Review identified the threats to the traditional model of public service broadcasting in the UK, and proposed some solutions which included the notion of the public service publisher to meet a possible shortfall in the provision of PSB and also to take full advantage of the new opportunities presented by digital media.

To recap recent developments:

Digital technology has already brought more channels and significantly more competition for audiences than ever available before, with more real choice in many (although not all) areas of content. It has also enabled new sources of revenues to be developed, and led to innovation in production techniques and formats.

High speed broadband networks and the increasing functionality of mobile devices have added new dimensions of immediacy, interactivity and participation across the media landscape, with the rapid rise of social networking sites and user-generated content.

For some commentators, the advent of the internet creates the possibility of a new and more democratic “public space” in which many people can share views and experiences, and engage more actively in public debate – a big contrast to the highly concentrated old media world in which only a few voices

dominated the airwaves and the opportunities for public participation were limited.

While providing much potential benefit for both consumers and citizens, these developments also pose threats to the traditional public service broadcasting model:

- Increased competition, slow revenue growth and the effective end of spectrum scarcity reduce the scope for broadcasters to cross-subsidise PSB obligations from above-normal profits – this applies both to the fully commercial PSBs like ITV and Five and, in a slightly different way, to the not-for-profit Channel 4;
- Some types of public interest content may find it hard to gain an audience on scheduled broadcast channels, given increased competition. Broadcasters will need increasingly to embrace new distribution methods and the capabilities offered by new media, to reach their audiences.

The media mix

It is wrong, however, in describing these developments, to talk about “old” and “new” media as if they were entirely different markets, with little relation to each other. As John Naughton says in his recent Ofcom essay, it is more realistic to talk of a changing media ecosystem than a “wipe out” scenario in which new media wipes out the old. In fact, there is strong evidence all around that we will see the emergence of a richer media mix, in which some aspects of “old media” co-exist with and interrelate closely with the new.

News provides a good example. While there is still an appetite for “appointment to view” TV news programmes, which put the day’s events into context, an increasing proportion of news consumption takes place in the on-demand, online world. Not only is a wide range of news content consumed across different media, but individuals are taking part in news creation and content via blogs and other online sites. Both the BBC and Channel 4 news sites, for example, incorporate on-demand access to current stories and archive material alongside extensive use of blogs. News content is now purposed for use across different media, drawing on common (and sharing costs with) extensive newsgathering infrastructures. Indeed, only a relatively small number of cross-media organisations can support the high costs of in-depth international newsgathering. Common news branding across media can help users select sources they can trust from the multitude of online providers. User participation can in turn feed into news stories on the main broadcast bulletins, and help influence news agendas. Online sites such as “ActionAid” and “Pledgebank” go far beyond conventional news services by actively encouraging users to participate in campaigns and action on specific issues.

In factual programming, new media offers the scope for people to develop their interest in a subject long after the original broadcast of a landmark

documentary, supporting active participation by communities of interest, and enabling rich online information resources to be created and shared by everyone. The MTM report identifies as good examples sites such as the Tate's, which offers over 400 hours of webcast events and gives users the ability to design their own exhibits. Broadcast factual programmes, like the BBC's "Coast", are supported by extensive online support material which also encourages user participation and action.

Less obviously, there are increasing examples in drama of cross-media propositions – MySpace and other online sites being used, for example, to develop the stories of popular TV drama characters off-screen, and offering users the chance to debate, influence or create storylines. Channel 4's drama "Skins" is a recent example, offering extra mini episodes and its own MySpace page. More generally, micro clips from a range of dramas and comedies are available for download on broadband or mobile platforms.

A cross-media approach does not mean that new media should be seen simply as a vehicle for recycling old media content, as some established broadcasters have assumed in the past. Rather there needs to be continued experimentation and innovation in the different aspects of interactivity, participation and networking which new digital media services can deliver. At least part of our everyday media experience of the future will be very different to that of today. But it is likely that consumers and citizens will make their media choices from across the wide range of options, depending on where they are, what sort of experience they feel like at a particular moment in time, and how actively or passively they wish to be engaged in that experience. Facilitating their choices will be their relationship across the media mix with familiar presenters, other talent, popular channel and content brands, other users (via online networks) and, of course, the promotional information they obtain from the different media outlets they use.

What does this mean for future public interest intervention in the media sector? It means that policy should be framed in the context of that entire media mix, not just one part of it. The balance of interventions is likely to differ from genre to genre, or more importantly from goal to goal. Some overall goals may be much more effectively delivered by some types of media than others. Many will need a plan for action across the full range of media available – from broadcast, to on-demand, to interactive and online. There thus may be a risk in devising a PSP-type intervention which focuses too narrowly on what we are currently defining as "new digital media", as the real value of intervention in many areas may be its cumulative impact across different media, rather than its effect on just one part of the overall media ecosystem.

The rationale for intervention

Having summarised the changing context, it is important to examine again the rationale for public interest intervention. Ofcom sets out a broad framework in its discussion document and this section also draws on the discussion

contained in the earlier annex to Ofcom's PSB Review: "A conceptual review of public service broadcasting".

Established arguments.

Our starting point in the past has been the view that television and to a lesser extent radio have a vital influence on all our lives. As David Puttnam writes: "(the ability of media companies) to shape and define the way we see the world is at least as powerful – and sometimes more powerful – than the task of simply reflecting the realities of that same world back to us" Access to media, and especially television, has been seen as a core part of a well-functioning democracy – providing a place where issues are debated, and where politicians and others compete for our attention. Ofcom's PSB review underlines the role that television plays:

"It can shape our understanding of and the way we think about the world, and it helps to create shared values, common perspectives, our identity and views. It has, uniquely among different media, the potential to reach and influence large numbers of people at relatively low cost."

From this starting point has evolved a set of generally accepted assumptions about what broadcast media should aspire to in a civilised society: the provision of impartial and accurate news and information free of any commercial or political agenda, high quality drama and entertainment which reflects and underpins our cultural identity both as a nation and as part of different communities, the stimulation of interests and passions as part of a broad approach to knowledge building and learning, and the communication of shared values about how society should work, including tolerance and fairness. Typically linked to these overall goals are the desire to ensure that everyone should have access to key elements of such socially desirable content, that there is plurality of supply, and that the content is sufficiently engaging to make an impact on those who consume it.

This "social values" perspective can be linked persuasively to a more economics-based market failures analysis. If we have a clear idea of the purposes and values we wish to encourage, we can assess how likely it is that they will be provided by the market, and hence the extent to which we might need to intervene in the public interest to secure their delivery. The standard economic analysis suggests possible market failures in the following areas:

- Broadcasting is a public good, which can be consumed by more than one person at a time without reducing the amount that is available to other consumers – hence an efficient way of pricing broadcast content is for it to be offered free at the point of use, funded by a fixed fee unrelated to marginal consumption;
- The use of advertising rather than direct payment as a means of funding content could address public good concerns, but might mean

consumers do not have access to the range and diversity of content they value and would be prepared to pay for. In a limited channel world, for example, advertising-funded broadcasters might cluster round the middle ground, rather than cater for minority tastes;

- The existence of market power, driven by economies of scale and scope and, in some cases, content rights or delivery bottlenecks, which reduces or removes competition in the market;
- The existence of externalities – which means that others, rather than just the individual consumer, are affected in either positive or negative ways by the consumption of some broadcast content. Left to itself, the market might under or over-deliver such content;
- Broadcast content as a merit good - where the individual consumer does not recognise the full value to him/her of consuming some types of content – for example educational programming;
- Information problems – where the individual consumer does not have enough information about the content available to make an effective viewing choice.

The existence of merit good and externality effects in particular closely parallels the social value arguments for intervention in the broadcasting market. For example, it is in the interest of both individuals and society as a whole to be well informed and be able to take part effectively in the democratic process. That value may not be captured fully in any commercial transaction – hence the rationale for some form of public intervention to ensure adequate provision of relevant content.

Additionally, policy goals might also encompass distributional aims - ensuring everyone has access to some basic level of provision, regardless of whether they can afford to pay – and economic policy aims – for example, measures to support the growth of the UK creative economy.

Implications of new media developments

As the media landscape changes, two key questions need to be addressed:

- Will the mix of media available in future still have the potential to influence and shape our lives as significantly as old broadcast media?
- Are there still enduring market failures which can be reduced or removed by practical and effective forms of intervention?

Impact and influence

No-one can predict with certainty precisely how the media market will develop in future, but most analysts expect to see a mix of old and new media, which is likely to include:

- A continuing high level of interest in many types of narrative audiovisual content (dramas, comedies, landmark factual, event and entertainment programming). This is the type of long-form programming which will often be consumed live or close to the time of its first release, viewed in a relatively passive mode, and distributed via conventional scheduled channels but also in an increasingly on-demand environment;
- A growing use of new types of content, available via broadband networks, which – for some genres and some audience groups – will replace traditional linear media. Such content will be consumed in a more active mode, often in shorter bursts, and can be focused on the specific needs of many different smaller interest groups than can established broadcast content. Ofcom’s discussion document rightly notes that digital media does not mean simply a series of alternative distribution models for the same linear content;
- Alongside the above, a powerful combination of the old and new, which will draw on the strengths of both – the high impact, shared experience of the old, which can be used to stimulate users to access a richer, more interactive and personalised experience via the new.

Collectively, old and new media will continue to have a significant impact on our lives underpinned by their complementary characteristics. Old media will retain the ability to reach and affect large audiences, stimulate debate, and drive high profile campaigns (such as “Jamie’s School Dinners”). New media will allow users, as Ofcom notes, to “create, annotate, correct and communicate around the content”, with the potential for a much richer, deeper, but more individualised experience.

In the old world, a single broadcast in the UK had the potential to reach an immediate audience of half the population at the same time. In the new world, the process will be different but the outcome could be similar. Content made for broadcast use in future will ultimately have the same powerful impact, but through its release over time over many distribution outlets, often supported by more powerful forms of interaction and participation. Likewise, content first developed for distribution to smaller web communities, could and can break out into mainstream media and impact on far larger numbers. Even if content does not become of national interest, it can have an important influence on the lives of those particular audiences for which it is intended.

In some ways, engagement with new digital media content has the potential for being a more powerful influence on our lives than passive consumption of old media ever has been. Charles Leadbetter in his Ofcom essay notes that the new (in his terms) “social media” increases the range and number of voices available, better reflecting the diversity of what people have to say, leading to a more open and contested culture. Digital media provides an opportunity for raising awareness about specific issues, for campaigning, and

for organisation - leading possibly to involvement and action rather than just the receipt of information.

All of the above suggests that we should, as a society, remain concerned about the nature of the new media mix, the content it generates, and who has access to it. The public interest does not come to an end with the end of traditional scheduled TV channels.

Forms of intervention

The scale, scope and form of intervention in future will almost certainly differ significantly from genre to genre, from user group to user group. While intervention will be needed, the balance and shape of that intervention will have to change significantly.

As Ofcom's PSB Review argues, many of the established consumer market failures should disappear:

- A combination of advertiser-funded channels and various forms of subscription and pay-per view should enhance consumer sovereignty and help fund a much wider range of content than could be expected from the market in a more limited channel world;
- Digital TV and broadband should reduce entry barriers and help support a more competitive market – most market power issues could then be dealt with by standard competition law;
- The merit good and externality arguments will still hold, although market-led provision of some types of “desirable” content could increase, hence reducing the need for intervention in the public interest.

Additionally, changes in distribution and consumption patterns brought by digital media developments should enable more efficient use of any remaining public funding – for example, on-demand services could replace families of scheduled channels, and content might be better targeted at particular audience groups. On the other hand, some public interest concerns may gain in their significance:

- While a more open marketplace with lower entry barriers can stimulate much greater public participation in media creation and consumption, there is a risk that fragmentation of consumption might also lead to fragmentation of funding, putting at risk the creation of high production value programming, especially drama and high budget factual content;
- There may be greater risks to UK-made content, given the more open nature of an internet-orientated world, and the economics of high cost content production, which suggest the possibility that content made for international markets could take an increasing share of our consumption;

- There is also a risk that a new digital or broadband “divide” emerges. Some of the new content may only be available at a premium rate, while access to digital and broadband networks may also involve significant costs. Parts of society may therefore be excluded from the benefits described above, unable to afford to take part in the digital/broadband revolution.

Given the potentially high costs involved in continuing intervention, however, it is vital to be as clear as possible about where the biggest risks actually exist, how best they can be targeted, and with which combination of media.

Purposes, characteristics and the new media landscape

To assess the future rationale for intervention, and where it should be focused in more detail, it is helpful to consider the four purposes of PSB and their accompanying characteristics, as set out by Ofcom. For each purpose, the future media landscape brings both opportunities, but potential threats. By itemising what these are, we can gain a better understanding of where new interventions should be focused.

The four purposes are:

- To inform ourselves and others and to increase our understanding of the world through news, information, and analysis of current events and ideas;
- To stimulate our interest in and knowledge of the arts, science, history and other topics through content that is accessible and can encourage informal learning;
- To reflect and strengthen our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences;
- To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere.

To inform ourselves.....

News and current affairs have always been seen as a core part of PSB. As noted above, however, the future media landscape could bring a great expansion in the provision of news and information from many sources, coupled with the ability of every individual to engage more actively in debates about current issues and events. There are many thousands of blogs, for example, and the number is growing. At first sight, then perhaps little need here for continuing public interest intervention.

However, a closer examination of potential market provision does raise some important concerns:

- Although there is a wide availability of news from a multitude of sources on the web, much of it is reported from a very particular perspective (whether influenced by a commercial or political agenda) which may be impossible for the user to detect, and the accuracy of some of the available content may be difficult to verify;
- The even wider availability of opinion online can be provocative, influential and entertaining, but on its own is not enough to create a truly well informed society. There is a risk that independent, impartial and often high cost scrutiny, investigation and analysis of the key issues might get left behind;
- These concerns relate not just to hard news, but also to many other areas of consumer information and advice – from travel guides to film reviews. Users may not be able easily to determine whether they are using a truly independent site or one which is funded by the products/services it is featuring;
- A further concern is the risk to well-mediated discussion, supported by skilled questioning, challenge, research and analysis – these skills are needed just as much in the online world as in the broadcast world;
- Finally, there may be issues of fairness and privacy, with a risk to individuals or groups featured in news or current affairs reporting on the internet. While it is neither practical or desirable to suggest that content standards regulation of the type applied to broadcast journalism should be applied to all of the internet, there may well be a case for ensuring that some of the content available in the UK does set a benchmark for such standards, which other providers can then be judged against.

Taken together, these concerns suggest that there is a potentially strong public interest case for continued intervention in the future media landscape to support the first of Ofcom's purposes. The challenge will be to use both conventional and new media to meet the needs identified, and to reflect audience demand for a more open and participative approach, as well as more conventional broadcast journalism. We will need to find imaginative new approaches to communicating with audiences and providing a shared underpinning for more effective debate – the analysis, the scrutiny of official policy, the key interviews, the investigative journalism and so on. Indeed, as audiences for conventional broadcast news programmes decline, new interactive and participative forums for information and debate will become more important. This suggests a shift over time in public funding priorities – from conventional to new digital media approaches – as the relative importance of these different media changes.

Some skills will certainly be transferable from the old media world, but new ones will be needed, too. New media outlets may be able to take a much more proactive approach than conventional broadcasters in challenging views, encouraging debate, and supporting campaigns or other forms of action. The provision of news and information becomes in this way much more of a two-way conversation with the public, but a conversation which is backed up by real facts rather than half truths.

Stimulate our interest and knowledge.....

Factual programming of many different types has long been an important part of PSB, ranging from major landmark documentaries to lifestyle programming. PSB at its best has stimulated interest in a huge range of subjects, and has provided free access for all to a wealth of information and insights from around the world. Some of the key examples in Ofcom's PSP discussion paper feature educational content in its broadest sense.

A quick review of content currently available in the new media world, however, suggests that there is an enormous range of factual content available on the web, much of it from authoritative and expert bodies in the UK and around the world:

- Museums and galleries are making information available free, often with an increasing audiovisual component;
- Educational institutions are increasingly making lectures available on the web, for all to read and comment on;
- Public and charitable bodies – such as the Wellcome Trust – are establishing confident and valuable online sites in their areas of expertise for both experts and the public at large;
- There are powerful search engines to help users find the information – and increasingly the video clips – they need;
- New user-created models are emerging, like Wikipedia;
- There is a substantial amount of commercially funded lifestyle content and advice – in food, travel, health, finance etc, and the games market also has an increasing presence in this area;
- The so-called “long tail” phenomenon means that niche markets and minority interests are more likely to be catered for, as the aggregation of small numbers across the internet can eventually support commercial provision.

Nevertheless, there may still be some market shortfalls:

- Broadcast TV remains the most powerful medium for captivating public interest and galvanising debate about the big issues of the day (such as climate change, for example). While commercially funded channels will invest in some of this type of programming, they seem more likely to focus their big budget projects on the more populist end of the factual spectrum – with a bias towards spectacle rather than explanation – which means that range and diversity might be reduced compared with a world in which public funding is retained;
- Similarly, financial constraints may mean that such content is concerned more with international or US themes than with those relevant to the UK;
- Commercial interests may be less inclined to invest in the potentially costly infrastructure, design and editorial support for digital media initiatives which can encourage wide public participation – for example at the local community level. There can be a powerful social benefit from using mixed media to encourage people to engage more actively in their passions and hobbies rather than just watching content or downloading information and clips;
- Although many authoritative bodies – such as major museums – may have a substantial amount of content to offer, as MTM’s report for Channel 4 identifies, they may need to acquire new skills to make it entertaining and accessible in the audiovisual world, they may suffer from lack of exposure and promotion, and their funding may not always be sustainable or consistently available;
- Search engines, at least at present, tend to be agnostic about the quality of the material they find, although of course there are many new ways of using the internet to obtain advice on what is good/bad, or on what like minded users have appreciated/disliked etc.

Given this, it may be sensible to focus public interest interventions in the future media landscape in the following way:

- Some continued investment in long-form factual programming which covers subjects likely to be avoided by commercial providers, or in greater depth – for example campaigning programmes, programmes with specific UK relevance, more challenging subjects;
- Coherent cross-media initiatives built around such content, using high profile broadcasts to galvanise public interest and interactive digital media to provide a deeper more active experience, and which encourage participation in important areas of science, history, geography, health etc – with a wider range of topics covered and more of a UK focus than might be delivered by the commercial marketplace;
- Aggregation and promotion of content supported by an intelligent guide – finding effective ways of marshalling and bringing together the skills

and content already being developed by a multitude of public and charitable bodies, educational and arts organisations in the UK into an easily accessible and well marketed treasure chest of material – to make more of what is already available or under development, and to help guide users to those things that they will find of interest and value.

Reflect and strengthen our cultural identity

As in the factual area, the outlook for market provision in drama and entertainment genres is variable. Experience to date suggests that there will be a continuing demand for and investment in high budget drama and entertainment programming in the UK market, although (see below) the mix may be different from that which would result from the support of public funding. Increasingly it will be “event” content which attracts audiences to broadcast channels, and similarly, good drama and comedy have a strong shelf life – offering opportunities for extended commercial exploitation across different distribution systems and release windows. One plausible trend, identified in my DCMS report, is for increasing polarisation of content produced in the UK – with high production value event programming at one extreme, and low cost niche content for smaller audiences at the other.

In the wider new media landscape, commercial providers are experimenting with new games-based interactive dramas or augmented reality games, and there is a vast and growing appetite for the creation and consumption of user-generated content. Broadband and new digital production technologies are lowering the entry costs for young programme makers, interactive designers and writers, with the potential for a major explosion of creative potential. Broadband networks also provide an opportunity for local community services to spring up around the country, with news, community information, and local narrative content.

The risks here seem to be fourfold:

- At the top end of the commercial market, the economic dynamics might mean that an increasing proportion of high budget drama available in the UK has an international market focus, with a reduced willingness by broadcasters/producers to take the financial risks associated with challenging and contemporary content which offers a social or political perspective;
- In comedy, the high development costs, coupled with a relatively high failure rate, may mean less investment in new and cutting edge UK-originated content;
- Although there may be significant creative potential and opportunity associated with low cost production, distribution and user generated content, the next stages of development may be less easy – the polarisation of content production referred to earlier, coupled with a

bias against risk, means that it may be difficult for new talent to find ways of progressing to higher cost production activity;

- If the centre of gravity of digital media design and creation is increasingly US-oriented, and a growing proportion of major production decisions (both in old and news media) are made by US-based companies, the result could be a talent drain from the UK – and eventually a decline in our competitiveness as a centre for new media developments.

The implications for public interest intervention are as follows:

- A continued need for some public funding of UK-focused narrative dramas and comedy to guard against the risks of fragmentation of funding and an increased US focus;
- A need to support and encourage different aspects of creative innovation in digital media, which might include the investment of seed finance in experimental new media initiatives, and the provision of progressive development opportunities for emerging talent across all media. For example, we need to consider how best to provide a ladder of opportunity which would help new talent move from small digital media projects into either more substantial digital projects, or higher-budget content production for use on broadcast and on-demand services. This activity might be termed “creative sector R&D”, and could require an enhanced role for public interest intervention – which would benefit the public, by providing the scope for more innovative and ambitious content to be produced, but which would have a twin benefit for the UK creative economy.

Current examples of creative talent initiatives include the BBC’s Film Network and New Talent programmes, and Channel 4’s “Four Docs”. As noted later, PwC’s report for Channel 4 highlights the contribution which Channel 4 uniquely has made to the development of the UK creative production economy.

Different cultures and alternative viewpoints

The fourth of Ofcom’s purposes is also increasingly reflected in much privately generated activity on the web. Social networking sites are one example of a new phenomenon by which large groups of people create their own communities on the internet, not just in the UK, but around the world. As other commentators have noted, the internet provides a platform for many new voices, and introduces us to many new people and their different ways of life. We can share our own experiences with those of others, and, to the extent that this happens, will gain a better understanding of different communities, interests and beliefs in so doing.

So far so good. The risk, however, is that the new media landscape also provides an opportunity for virtual “ghettos” to emerge, and may give an

apparent legitimacy to intolerant and extremist views. It may be possible for communities and interest groups, for example, to use the internet to opt out of impartially presented broadcast news, and consume news which addresses only their own interests and sometimes prejudices. Ultimately, this could lead to breakdown in common understanding and shared values, and a growing intolerance of different views.

This is a difficult challenge for public policy in either old or new media to address, as for an intervention to be successful, it would need to persuade people to make different choices – choices which they are probably unwilling to make. Here there may be two practical and productive approaches.

The first answer may again lie in the integration of digital media with more conventional broadcasting, which still has the power to bring large numbers together for shared experiences. Not only can conventional content (drama, comedy, reality shows, for example) address issues of fairness, tolerance and racial tension as part of its wider remit – and probably more effectively for some audiences than can specialist factual or current affairs content – it can provide an opening through which more interactive and participative media can work with these difficult issues, particularly if linked to the encouragement of user-generated content. Some editorial and technical support could help such initiatives work better to deliver public interest objectives.

Second, public intervention could focus on supporting (with small “micro” investments), a very wide range of community online initiatives, aimed at helping those who wish to establish services for their own specific communities – whether a local ethnic group, young people living on a particular housing estate, or minorities linked across the country by shared interests and beliefs. This would in some ways be similar to the existing community radio initiative, but would have an added goal of not just serving those specific groups, but of trying to bring their interests, concerns, and cultures to a wider audience via online – perhaps with the backing of broadcast promotions. Current examples of broadband delivered community TV include “Let’s Go Global” in Manchester (an arts-based internet TV channel which works with local groups and young people to help them build digital content creation skills), and Y.I.K.E.S. TV in Bridgend (which works to help bring unemployed young people back into education, training and employment).

Implications for the PSP

The above analysis has attempted to assess the extent to which the public interest rationale will still apply in the new media landscape, both in general and across the four stated Ofcom purposes.

Although we may ultimately need less public interest intervention in future (in terms of absolute levels of public funding and in the volume of output produced), there are still some important areas in which the market will not guarantee a socially desirable outcome. In many of those areas, there will still

be a need for the production of high quality narrative programming, which might be released via broadcast channels or made available in an on-demand environment. Priorities for funding are likely to change however, and in some important areas, the focus is likely to be on the better use of interactive and participative media rather than on conventional content.

Which brings us to the role of the PSP.

The first point to make, which is apparent from the preceding analysis, is that the PSP will work best if it is seen as part of a wider public interest initiative across the broad new media landscape. As well as bringing new ideas, skills and approaches, it needs to draw on the expertise and exposure that existing players can offer. This is not just a matter of profile or promotion, although those are important, it is about the overall effectiveness of its content.

For example, if the PSP is to have an impact in the area of news, current affairs and information, it will need to draw on the journalistic skills and resources of a major established provider in order to make its mark, even if the approach it takes is very different to the traditional news bulletins we have used in the past. If the PSP is to stimulate widespread national campaigns on important issues, it will need access to the high profile which established broadcasters can provide. In factual programming, I have suggested that it could have a valuable impact in building interactive features as part of a wider proposition which would involve broadcast audio visual material, as well as online content – for example to encourage active involvement in community projects. In drama and comedy, its main role might be as an engine for research and development to help nurture and support talent who can take advantage of the scope for experimentation provided by digital media, but may also be able to extend their skills and experience to include other forms of audio visual content, too. In supporting communities, its most effective strategy might be to work closely with popular televised drama and factual output, to help build on the shared experiences provided by conventional media, and translate it into a more interactive world.

Secondly, consideration should also be given to the nature of intervention which would make most sense at this particular stage in the development of the future media landscape, and of digital media in particular. Given that the market is still evolving, and that the full extent of commercial and voluntary provision is not yet certain, there would be a risk in establishing a major full-service public institution in this territory at this point in time – the danger would be one of either duplicating content and services which will be provided anyway, or crowding out those developments before they can take place.

Consequently, the PSP should be designed so that its main aim is to facilitate experimentation and innovation from a wide and diverse range of independent contributors and act primarily as an enabler rather than as a major provider in its own right. This enabling role could take the form of the provision of seed finance for interesting digital media propositions, or of the offer of technical, editorial, and marketing support for those with promising new ideas. It could

focus on helping the general public participate more effectively in digital media – by mediating public discussion, for example, or by supporting user-generated content. In this way, the PSP, rather than investing large amounts in new content in its own right, could work with the market and help realise its full potential, as well as filling any eventual gaps in market provision. Over time, its role might change and grow, as it becomes clearer where the key market failures lie, and how they are best addressed.

Over the next three to four years, the PSP concept could be refined by establishing a small number of pilot schemes to trial different approaches and elements of its proposition.

Against this general background, I suggest the following four areas of focus for the PSP would merit consideration in more detail:

Public conversation and political engagement

To help secure a well-informed society, a key role for the PSP could be to find imaginative new media approaches to reporting and interpreting news and current affairs. The PSP could encourage and support public debate on the important issues of relevance to individuals and our society as a whole – backed up by strong news reporting, analysis, scrutiny of official policy, key interviews, investigative journalism and so on, but in a much more open, inclusive and interactive way than is currently the case with conventional news and current affairs broadcasts. The PSP could use its skills and resources to provide space for open conversations and debate, but also to help mediate that debate so that its outcome is as insightful as possible. It might take a more pro-active role than some existing broadcasters have been accustomed to do in actively encouraging participation, campaigning on key issues, and – in some cases- action. A PSP which is not seen as part of the establishment would be more effective in this role than would, for example, the BBC. A PSP which might in its early years have relatively young audience profile, would have a particular role to play in engaging with those younger audiences.

Building shared values across different communities

Old media are capable of building common interests and shared experiences and, in so doing, helping to provide the social glue or capital which can bind society together. But in a culturally fragmented world, there will be an important dual role for the PSP, too. First, the PSP can provide a bridge between conventional broadcasting and the interactive, participative new media world. As discussed above, conventional content (drama, comedy, reality shows, for example) can address issues of fairness, tolerance and racial tension as part of its wider remit – and probably more effectively than can specialist content. Its impact could be enhanced, however, by the use of more interactive media and user-generated content to extend these shared experiences. The PSP could have a valuable role, working with established broadcasters, in making this happen. Content made for and by children and teenagers could have a particularly important role to play here. Second, the

PSP could support a sizeable number of micro investments in community online TV services, drawing on and developing from the experience gained so far in the community radio sector. Such funding would help small communities perhaps defined by interest, place, ethnicity or faith to find a media outlet for their interests and passions, but could also be designed to help bring those interests to a wider audience.

Unlocking the nation's knowledge store

Growing commercial provision, new voluntary models such as Wikipedia, and the role of other public bodies such as museums in providing a wealth of information over the internet suggests that the PSP might be less justified in funding new media initiatives in factual and educational content. However, as the MTM report suggests, there are problems faced by existing public interest content in the online world. There may therefore be important contributions which the PSP could make in this area:

- helping to promote an awareness of such content, in conjunction with established broadcasters,
- providing a trusted and intelligent guide to the information that is available from other sources,
- providing seed funding to help improve the quality of content available.

Care would be needed to ensure that the PSP does not simply duplicate what is already available from existing search engines or content aggregators – but there may well be a gap for the provision of promotional support to and advice about other sites from an independent perspective.

Supporting creative sector R&D

My analysis suggests a possible gap in the UK for the funding and other mechanisms which will help support digital media production talent, and will also help provide opportunities for their wider involvement in media more generally as they develop their careers. As noted above, although there may be significant opportunities at the “entry level” of the creative media market for new talent and user generated content, there may be a shortage of “next steps” which will allow that talent to be nurtured and developed – especially if an increasing number of the major production decisions (both in old and new media) are made by US-based companies.

The PSP could help by providing both a conduit for funds to help support a myriad of small experimental and innovative new media projects, but it could also put in place a ladder of talent development, with options to link into more conventional media, in order to enable successful participants to maximise their creative and (in due course) commercial potential.

Channel 4 in the new media world

Channel 4 has a potentially vital role to play in the evolving new media world, not only in its own right, but as part of the PSP proposition.

Most obviously, given the desirability of taking a wide cross-media approach to public interest intervention in the future media world, Channel 4 can help provide the broadcast component of any cross-media initiative. In more detail, in each of the four areas identified in this paper, Channel 4 is already developing its own propositions which take advantage of the opportunities provided by new media, linked into its more traditional broadcast strengths.

Public conversation and political engagement

Channel 4 is well positioned to build on its reputation for independent and challenging news and current affairs to provide a new approach to news provision in the new media world – addressing the challenge of finding more effective ways of engaging people in public debate, while at the same time retaining the values of independence, integrity and fairness which characterise conventional public service news provision. Channel 4 might be able to bring more of a campaigning dimension to its coverage of key issues than could the BBC, and in a more independent way than could its commercial rivals.

Channel 4 news already has a growing online presence, with on-demand access to the main stories of the day, a 7 day catch-up service, user participation (for example in early March, inviting users to send in memories of the Falklands war) and newsroom blogs. Channel 4 is also keen to use its news resource to help improve media literacy – “Breaking the News”, part funded by DfES, is an important project which enables 14-19 year olds to have hands on experience in cutting a news item with ITN rushes, so that they can understand what lies behind the broadcast news.

Supporting creative sector R&D

Perhaps one of Channel 4’s biggest potential contributions to the future new media landscape would be an extension of its historic contribution to the UK creative production sector. A report for Channel 4 from PwC highlights several unique contributions which the organisation has made up to now:

- Supporting a plurality of independent producers to ensure that a diversity of ideas reaches the screen – PwC notes that Channel 4’s commissioning strategy, using a much wider range of suppliers than other broadcasters with a significant long tail, has helped to deliver this result;
- Reaching out for further funding – PwC explains how Channel 4 has enlisted the support of RDAs and regional screen agencies to match its own funding, and hence increase the value delivered on screen. It has

also helped to push television production higher up the agenda of these agencies, and has generated more activity than would have been possible using just its own funding;

- Developing sustainable regional clusters – PwC argues that Channel 4's Creative Cities initiative has helped to support the development of a number of regional production clusters in the UK – often actively encouraging independent producers to move away from London. It has also supported long term projects in the communities, such as the Castleford project, an "off-screen" project which has helped regeneration initiatives in that area;
- Talent policy – PwC notes that Channel 4 has invested substantially in creative training and development schemes and has provided seed capital to help independent producers launch their businesses. Channel 4 has also made important non-monetary contributions, including expertise and assistance, talent matching and networking events.

PwC concludes; "we found that the majority of Channel 4's off-screen impacts were unique to Channel 4. Had Channel 4 not existed we concluded that the independent production sector might have been more consolidated, less diverse and more focused on London; there might also have been less new talent and fewer new entrants".

In the future media landscape, Channel 4 will be well placed to continue with these and similar initiatives, but focused more specifically on new digital media, enabling new entrants to establish their businesses, and offering an opportunity for new media talent to develop ideas and propositions which can work across all media.

Additionally, it can play a key role in encouraging user generated content. For example, initiatives under development include "My Million Movie" – a Film Four co-production which is an attempt to produce a user-generated movie (partnered with MySpace).

Building shared values

Channel 4's original purposes included the obligation to reflect the interests of minorities and others not catered for by other broadcasters. Re-interpreted for the new media world, this can still be a key part of the Channel 4 remit, and potentially a unique aspect of its proposition. In particular, Channel 4 could continue to seek ways of using mainstream content to reflect and expose difficult contemporary social issues and challenges, and build around such content a more interactive and participative new media proposition. It could also use seed funding and promotional exposure to help small community-based online initiatives get established, and provide exposure for and help build links between those sites.

Examples currently under development include “121” – a paired international blogging initiative, in which Channel 4 pairs up a person from the UK with a corresponding person from a country of which we tend to have a clichéd view, in order to gain an insight into the country, and “Raw Cuts”, an initiative in which a group of young people have their stories on the theme of vulnerability made into short films to be broadcast online and on broadcast TV (partnered with the NSPCC).

Unlocking the nation’s knowledge store

Channel 4 in this area can offer the potential of continued investment in high quality and powerful factual programming, such as “Jamie’s School Dinners” and “Operatunity” which can also form part of wider and richer new media experiences. It can also use its promotional capabilities to help encourage wider access to the many sources of interesting new media factual content which already exist.

Current examples of how this can work are provided by Channel 4’s “Big Art Project” – which uses mobile photo blogging to create the UK’s first comprehensive map of public art, the “My New Home” project, which is a documentary series about young immigrants in England, in which the programmes will be accompanied by a significant web-based initiative, and “Four Docs”, which is the Channel 4 broadband documentary channel, fostering user-generated documentary content.

In conclusion

The analysis in this paper has indicated the need for and the potential for public interest investment in the future media world, to cover not only new media but wider cross-media initiatives.

Four core areas of intervention for new media have been identified, on which it is suggested the PSP might focus, at least in its early years.

Channel 4, it is suggested, could be an important partner for the PSP, not only to provide the invaluable promotional support and access to mainstream broadcast networks, but as importantly to develop cross-media initiatives which use the best of old and new media to maximise the value delivered for any public investment. Indeed, Channel 4 is already, as noted above, developing proposals and ideas consistent with many of the areas identified in this paper. Perhaps most importantly, Channel 4 can offer some unique advantages as a prospective broadcast partner to the PSP, compared to other potential broadcast partners, which include an understanding of public service purposes, a reputation for cutting-edge innovation and experimentation, and an understanding of effective and open content commissioning – all of which will be key to the success of the PSP. I return to these in my parallel paper.