



BSLBT RESPONSE TO OFCOM 'REVIEW OF SIGNING ARRANGEMENTS FOR RELEVANT TV CHANNELS'

Sent by Ruth Griffiths, Executive Chair, on behalf of the BSLBT board

BSLBT warmly welcomes Ofcom's Review of signing arrangements on relevant channels. It is seven years since these arrangements were put in place and so the review is certainly timely.

BSLBT recognises that broadcasters do not wish to increase the amount of sign-presented programming on their channels, nor to carry the costs of planning, commissioning, acquiring and broadcasting sign-presented content which provides a real benefit to Deaf people within their households. BSLBT is glad to offer a viable and cheaper alternative, which gives Deaf people real access to the medium of television and to which broadcasters may provide links from their online players.

We are grateful for the Review's endorsement of BSLBT's work and pleased to see the confidence shown in our capacity to deliver for the BSL community in the future. Accurate broadcast viewing figures are not available but BSL Zone visitor figures and feedback show that the programming itself is greatly valued by the audience regardless of platform. 135,047 unique users have visited the BSL Zone online in the past 12 months and we are sure that the Zone can become an ever more valuable cultural hub. Strengthening the bond with the Deaf audience through more and more relevant and topical programming will drive BSLBT's plans in coming years.

Over the past six years BSLBT has commissioned an average of 23 new programmes a year covering many different genres, including drama, Deaf news, documentaries, children's, cookery, politics and sport. We have used our resources extremely carefully but we need substantially more funding if the Deaf audience is genuinely to understand and enjoy television as the Communications Act (2003) foresaw.

We would like to thank the Deaf community, the broadcasters and Ofcom for their collaboration in creating BSLBT, and we look forward to their continuing support in the years to come.

We find the Review thorough and thoughtful and we see the logic behind its various proposals. We recognise the work that Ofcom is doing to bring regulation on signing on relevant channels back in line with other Access Services while at the same time not placing undue burdens on broadcasters. However, as we explain in answer to the questions below, we believe that in some respects the proposals are too limited.

We note that the Ofcom December 2007 Statement said that there would be merit in reviewing the arrangements for signing on public service channels at digital switchover. Now

that switchover is successfully achieved and BSLBT is offering a real and valuable alternative we ask that this review should be carried out.

Finally, we were pleased to see that Ofcom provided a BSL version of the Executive Summary of the Review document and are welcoming feedback in BSL video. Despite this, we know that many BSL users will have found the English language and terminology of the consultation hard to understand and as a result are unlikely to respond swiftly or in standard English. Fortunately the feedback we have received suggests that the two meetings that Ofcom held with representatives of the BSL community and their organisations gave a clear picture of the community's views.

1) Do you agree that it would be appropriate to increase the minimum contributions to alternative signing arrangements to bring them back to the 2007 level in real terms, and to make annual adjustments for inflation? If not why not?

We agree that this step would be appropriate, but on its own we believe it is insufficient and we recommend Ofcom to go further.

The case for change as set out in the Review is compelling and urgent. BSLBT's experience shows the consequences of the real-term decline in revenue starkly, and this is reflected in the Review. In the years 2010 to 2014 this decline represented a 'loss' of revenue for BSLBT of £500,000 – money that could have delivered more programming, more engagement with the Deaf audience and fewer repeats. Again and again the community has told us that this is what it wants, yet there are fewer new programmes for them now than when BSLBT started.

The Deaf audience is increasingly short-changed and the adjustment for inflation is therefore overdue and justified.

There is also a strong case for raising the baseline figure. When this was set at £20,000 in 2007 it was at the lower end of the range of possibilities, no doubt reflecting a cautious approach in circumstances where there were many unknowns. Those unknowns, however, are now much better known. Not only has BSLBT demonstrated its ability to deliver for the Deaf community where funds are available, as the Review acknowledges, but the relevant channels have demonstrated that they have the financial strength to meet the costs. As the Review points out, their average revenues rose 112% between the start of 2008 and the end of 2012. Two further years of growth are not included in that figure.

Further, our experience leads us to question whether in choosing that figure in 2007 Ofcom took account of any of the following indirect but unavoidable costs that were being borne by channels doing sign-interpretation:

- the opportunity cost of the broadcast slots for these hours
- administrative and overhead costs (relating to planning, scheduling and reporting)
- the cost of promoting the service as required by Ofcom.

We are aware that the costs per hour for producing sign-interpreted versions of programmes may well have fallen since 2007 as a result of competition in the external market, but the other costs identified above will have continued to rise.

2) Do you agree that it would not be appropriate to base the adjustments to the minimum level of contributions to alternative arrangements on comparisons with the costs of existing sign-presented programmes, or with general TV production costs? If not, why not?

We agree that this would not be appropriate. In practice such comparisons are difficult if not impossible given the complexity of the relevant data.

So far as sign-presented programmes are concerned, the only available bases for calculation are the BBC's *See Hear* and programmes commissioned by BSLBT. (Neither CITV's *Signed Stories* nor the BBC's *Magic Hands* are sign-presented programmes but English-language programmes with a presenter who signs.)

See Hear can not be taken as a meaningful benchmark for production costs in this field since it is a magazine programme with a long annual run made in-house by the BBC. As for BSLBT, its production costs since 2007 have not been consistent over time and have often been substantially influenced by the revenues being discussed here. It would hardly be rational to make the current cost of BSLBT programme-making a determinant of future revenue when that cost has often been artificially depressed by its current subscription income.

BSLBT production costs have also been subject to a variety of unique pressures, some of which have altered with time, and which make them a poor basis for calculation. In the main BSL Zone programmes are made by a limited number of small, Deaf-led production companies struggling to survive at all in a world of declining funding.

In our early years, notably, budgets were often unreasonably and unrealistically low, but such were the levels of enthusiasm and idealism that it was possible to make programmes of sufficient quality with the benefit of Deaf community goodwill or with subsidies from production companies, and sometimes both. This was not sustainable nor was it in anyone's long-term interests, and budgets have been reviewed and are being reviewed again.

Increasingly, too, BSLBT must look to the future and must support new Deaf programme-makers who will compete for commissions and make good programmes in the years to come. This is a very small pool of expertise and resources are very tight. Budgets must be at sustainable levels.

We are a small commissioning body with a responsibility to maintain a good programme mix over what remains a modest total output. Given our present resource constraints we avoid genres such as news and investigative documentary that we know will be expensive, even where we know there is unmet demand from the Deaf community. Different kinds of programmes have different costs, and calculating averages over a small range that is distorted by restricted funding would not be meaningful or fair.

We are rigorous in keeping budgets as low as reasonably possible, not least because higher budgets mean fewer programmes.

As for basing a comparison on general television production costs, this may have superficial attractions but while BSLBT programmes incur many of the same categories of cost there are also additional costs relating to making programmes in an entirely visual language but still

accessible to a mainstream audience through sound and subtitles. In practice we believe it would be near impossible to construct a usable model of comparisons with general TV production costs. Comparisons with sign-interpreted production costs are even less helpful.

3) Do you agree that it would be appropriate to make annual adjustments to the minimum contributions to alternative arrangements in line with the Consumer Price Index, and to make consequential changes to the Guidance, as set out in Annex 4?

Yes, as a minimum.

4) Do you consider that minimum signing requirements for relevant channels should remain fixed at 30 minutes a month or should they rise progressively over a ten year period to 75 minutes a month? If the latter, do you agree that consequential changes should be made to the Code, as set out in Annex 4? Please explain the reasons for your preference.

Yes, we welcome Ofcom's proposals that the minimum signing requirements for relevant channels should rise progressively over time, as other Access Services rise over a 10-year period, and that consequential changes should be made to the Code.

Subtitling, audio description and signing for channels with an audience share of more than 1% have risen steadily over the last seven years while there have been no increases at all for signing on relevant channels. Signing on relevant channels should be brought into line and made subject to increases along with other regulated services.

Based on the 2007 Ofcom conclusions that 30 minutes would be be 'the minimum credible amount of sign-presented programming as against over 7 hours of sign-interpreted programming...', we calculate that seven hours equates approximately to 1% of programmes. We would respectfully suggest that 30 minutes should therefore be the equivalent requirement for 1% of sign-interpreted programming. This would mean an adjustment to Figure 3 so that each 1% increment represented 15 minutes from a base of 30 minutes for 1%, reaching 90 minutes for the 5% equivalent.

In Figure 3 we note that requirements are given for programming minutes, rather than slot lengths. This confirms that 30 minutes of programming should be just that. If the advertising minutes (at 12 minutes an hour) are applied to the 30 minutes of sign-presented programming that would reduce the actual minutes by 20% to only 24 minutes which is below what Ofcom concluded was the minimum acceptable duration. Below we illustrate in an Adjusted Figure 3 what the slot lengths would need to be to meet the requirements.

Figure 3 with advertising time included

Anniversary of qualifying date	Options	1 st -4 th	5 th -6 th	7 th -9 th	10 th onwards
Monthly signing requirements for channels with audience share of 1% or more (minutes/target %)	[Current rules for comparison purposes only]	440– 875	1300	1750	2200
Monthly signing requirements for relevant channels (mins)	Status quo	1% to 2%	3%	4%	5%
	Sign-presented content rising over ten years	36	54	72	90

5) Do you consider that transitional arrangements set out in Figure 4 would be appropriate if relevant channels are made subject to rising obligations? If so, do you agree that consequential changes should be made to the Code, as set out in Annex 4?

We understand Ofcom’s reasoning for the transitional arrangements but we would make the following points.

- While an increase from the ‘low base’ of 30 minutes per month to 75 minutes a month may be ‘significant’ in terms of absolute minutage, it is by no means significantly close to the level of provision enjoyed by others who receive a different kind of access provision. Ofcom’s proposal still means less than 20 minutes of sign-presented content per channel per week after ten years. The Review states (4.31) that ‘sign language users would benefit from a **gradual** increase in funding for sign-presented programming, which would translate over time into a **modest** increase in the quantity, quality and diversity of new content, and a reduction in repeats.’ (Our emphasis.) For the past seven years, however, there has been no increase, modest, gradual or otherwise, in signing on relevant channels.
- Indeed, we believe there is a case for the ultimate figure to be more than 75 minutes a month, to rebalance the account.
- No revenue increases have been factored into the estimated impact. Average revenues of relevant channels increased 112% between 2008 and 2012 and we believe the trend has continued upwards since then and will do so into the future, particularly in the years 2017 onwards. We think it overly cautious of Ofcom not to assume at least modest revenue increases in their estimated impact.
- In 2007 the proposal to increase the requirement from 30 to 60 minutes over time was discarded because it was decided that this might push several broadcasters over 1% relevant revenue threshold. We ask Ofcom to determine and state with the benefit now of real data whether that would actually have been the case.

- Signing has by far the lowest requirements across Access Services: 5% as opposed to 10+% for Audio Description and 80+% for subtitling. While we understand how this has come about, we do not think that Signing, already the service with the lowest requirements, should be further excluded from increases due.
- Ofcom has used a figure of £71k for a channel to provide 2 x 30 minutes of sign-presented programmes to meet their regulatory requirements in 2014, which is based on the figure of £60k adopted after the 2007 consultation. However, only one channel out of 55 has chosen to make its own programmes (for strategic rather than cost reasons) so surely the estimated impact should also be given here for the cost of paying towards an alternative arrangement: currently £20k.

6) Do you consider that minimum contributions by relevant channels to alternative requirements should remain fixed at £20,000 per year (adjusted for inflation) or should rise progressively over a ten-year period to £50,000 (also adjusted for inflation)? Please give reasons for your preference.

Yes, we think that the minimum contributions should rise progressively over a ten-year period, and we make the following comments.

- The proposed BSLBT (or other agreed alternative arrangement) fee of £50,000 (adjusted for inflation) for 75 minutes a month at the end of the ten-year progression is 17% less than the figure of £60,000 adopted by Ofcom in 2007 as the annual costs for 30 minutes of sign-presented programming.
- With this in mind, we believe there is a case for raising the figure of £50,000 to at least £60,000 to take on board the fact that an increase from 30 minutes of programming to 75 minutes per month should incur a higher subscription level than the costs estimated in 2007 for a channel to commission two thirty-minute programmes a year.

22.ix.2014