

June 19th 2008

**SUBMISSION TO OFCOM'S
SECOND PUBLIC SERVICE BROADCASTING REVIEW:
PHASE ONE**

The International Broadcasting Trust (IBT) hereby submits evidence to Ofcom for consideration during the first phase of its second public service broadcasting review.

Executive Summary

**‘Matters of international significance or interest’
in public service media content**

1. In this submission, we shall deal with a key element of public service media content, namely its coverage of ‘matters of international significance or interest’, since this is the principal focus of IBT’s activity and also our area of expertise.
2. It is IBT’s view that the broad definition of public service broadcasting as defined in the Communications Act 2003 holds good: namely that public service television should provide ‘programmes dealing with a wide range of subject matters...in a manner which...is likely to meet the needs and satisfy the interests of as many different audiences as practicable...’ and in the form of services ‘for the dissemination of information and for the provision of education and entertainment.’ (section 264)
3. In particular, the Act contains two public service obligations with regard to international programming:
 - That there should be comprehensive coverage of news and current affairs stories from the UK ‘and around the world’;
 - That there should be Tier 3 (non-news) general programmes about ‘matters of

international significance’.

4. IBT believes however that this is a moment of significant opportunity to rethink the delivery methods, approach and priorities of public service content. The old model of public service broadcasting for television has served well up until now, but it is no longer adequate in a multi-platform, digital, globalised world where citizens need to be better informed about what is going on outside the United Kingdom. IBT supports Ofcom in its ambition to reinvent the public service broadcasting model and we believe that it should be rethought with interactivity and internationalism at its heart so that UK citizens are well informed and can play a full role as global citizens. We believe this challenge to reinvent public service broadcasting is not being taken up by the mainstream broadcasters and that they need to be encouraged to collaborate in the interest of British citizens to provide a plural mix of public service content for all age groups which tells us about the wider world. It is our view that the current debate is out of touch with what the public wants and is dominated by the main broadcasters preserving their positions.

5. We believe that knowledge and understanding of international and global issues is an essential part of the communications needs, rights and interests of UK citizens in the global information society. Thus public service media content is viewed as a public good, like healthcare or education, and therefore an essential pillar of a modern, democratic society. It is also a prerequisite for active citizenship – something which has been at the heart of Government policy for almost a decade.

6. IBT is encouraged by Ofcom’s research for the PSB Review which shows that the public are interested in knowing about the wider world and television is where most people still get their information about global issues. Broadcast media has the potential to provide a window for people to view and understand their world and the wider world from the comfort of their living rooms. It is a medium that reaches millions of people in the UK – both children and adults. More than ever we live in a world where what happens in other countries affects the lives of people in the UK. For example, the credit crunch which started from the US sub-prime mortgage market and the increase in the price of oil because of growing demand from developing countries. These are both striking recent examples of events outside the UK which have had a very direct impact on our lives.

7. Yet, research in IBT’s recent report, *Screening the World*¹, shows that if current trends continue on mainstream channels, instead of broadening understanding, television is likely to limit people’s horizons. It is doing this by increasingly reinforcing stereotypes about other countries and moving programmes about international affairs onto niche channels which attract far

¹ Screening the World, How UK Broadcasters Portrayed the Wider World in 1007-8, Martin Scott, IBT.

smaller audiences.

8. The 2008 IBT research also found that the pressure to deliver news quickly and to maximize viewing figures can lead to people being presented with an incomplete picture of what is going on in the world, using the example of stereotyping during coverage of the Kenyan elections as an instance when this was the case. IBT believes that under these pressures, mainstream programming which presents a more rounded picture, which conveys the complexities of events and situations is more necessary than ever before.

9. While we welcome Ofcom's attempt in the first PSB review to define the purposes and characteristics of public service broadcasting, we disagree with the approach of quantitative measurement in that it bears no direct relation to the wording of the Communications Act which it was designed to serve. There is no quantitative evidence that matters of international significance, as specified in 'Tier 3' programming, are being covered by commercial public service broadcasters. From IBT's recent research it is clear that there has been a reduction in the amount of 'Tier 3' programming about the wider world outside news and current affairs. This represents an erosion of a key element of PSB which was explicitly spelled out in the 2003 Communications Act.

10. IBT believes that maintaining standards of our public service ecology is essential because otherwise we could lose something very precious. As the Secretary of State himself has said, "*Lower standards and you lose the trust and the public support that goes with it. Lose trust and you lower the quality, you lose innovation, you lose the ability of programme makers to take risks, you lose new possibilities, new talent goes undiscovered, and high quality programming is compromised.*"²

DEFINING PSB

11. IBT's definition of public service broadcasting is programming which is universally available free-to-air; which fills deficiencies in provision which may not be commercially viable but are considered important by the public for the greater good, such as high quality regional programming and children's programming; and programmes which are culturally and socially relevant to UK audience.

ONLINE

12. IBT believes that all public broadcasters in the digital age should have an explicit online policy which supports their public service goals and priorities. It is our belief that currently broadcasters perceive online platforms as a method of driving people to watch more television, but we believe they should be focused on engaging viewers in a more interactive process. In order to develop

² Andy Burnham, Secretary of State for Culture Media and Sport: Speech to the Convergence Think Tank, June 11th 2008

their use of online, IBT believes that each public service broadcaster should have a clearly defined remit for online PSC which isn't funded from news and current affairs budgets, thus potentially undermining their viability. In our opinion, online content should explicitly be a resource for citizenship – global citizenship: a means for people to find out more about events in the UK and the world; a means for them to access a greater variety of voices and opinions; to communicate with others; to share ideas; to be active and engaged citizens.

PLURALITY

13. IBT agrees with Ofcom that plurality is essential for a thriving public service ecosystem – to provide a diversity of voices; to provide healthy competition as an incentive to maintain standards and innovate; to enhance reach and impact. IBT agrees the market will provide some plurality to the BBC without intervention but we question whether this is guaranteed. Therefore we believe there is need for intervention to ensure plurality of provision is guaranteed.
14. We believe a diversity of voices is crucial for a healthy public service broadcasting system because it supports the Ofcom PSB purpose to 'represent diversity and alternative viewpoints' and 'reflects the UK's cultural identity'. Additionally we believe diversity is important because a variety of voices from around the world will lead to a better 'understanding of the world' among viewers, another key PSB purpose.

FUNDING

15. IBT agrees that *"new funds should be found to succeed the declining implicit subsidy for commercial Public Service Broadcasting and to maintain plurality in the delivery of public service content."*³ How much money is required depends on how much public service content is found to be lacking and the funding solutions decided upon.
16. As alternative sources of funding, IBT supports regulatory assets (gifted spectrum, EPG positioning) and direct public funding (as in Teachers TV or Community Channel models or Lottery funds). Additionally there will be income from the auctioning off of spectrum freed up by the switch to digital television which Ofcom states it is not aiming to make a profit on for the benefit of the Exchequer. Perhaps this income could be redistributed within the public service broadcasting market.

PSB MODELS

17. IBT supports Ofcom's 'Evolution model' because it is the only model in which the commercial PSBs retain any PSB status which we believe should be the case.

³ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 10, paragraph 1.30

IMPARTIALITY

18. IBT believes impartiality is crucial in news and current affairs in order to maintain public trust.

BBC

19. With reference to the BBC, IBT believes there should be no dilution of the direct link between the licence fee payer and the corporation by any form of 'top-slicing', either in terms of sharing revenue from BBC Worldwide with other public service broadcasters or the distribution of the 'excess licence fee'. IBT agrees with Patrick Barwise of the London Business School when he says that *'we are sleep-walking towards a weaker BBC'*⁴

20. While IBT supports the BBC in retaining 100% of the licence fee, we believe that there needs to be a greater effort within the corporation to fulfill the commitment in the 2006 Charter to 'Bring the World to the UK'. This is, in our opinion, considered a very low priority by the Executive, the BBC Trust and BBC Commissioners and it appears that programming about the wider world is being sidelined from mainstream channels in peak time to BBC4 which attracts far smaller audiences.

CHANNEL 4

21. With reference to Channel 4, IBT believes it must remain publicly-owned, not-for-profit and a public service provider in order to provide the BBC with competition, supplying alternative perspectives on the UK and the wider world.

ITV&FIVE

22. With reference to ITV and Five, IBT believes they should retain their public service obligations in news and current affairs; ITV in regional programming; both in UK-oriented production. We are sympathetic to their commercial arguments, but we believe there is an inherent value in their positioning on the EPG, their strong brands; and for ITV, a backlog of publicly funded archive material – IBT agrees that *"if ITV were to walk away from its regional licences, it will be taking with it the archives and brand profile that were produced in the context of significant public, political and financial support."*⁵ Further, we agree with the Secretary of State when he says that for ITV, *"the past is important, and ITV's DNA is in the regions, in regional production. It may be inconvenient to some people that people like regional news, but they do."*⁶

⁴ Comment made on panel at VLV PSB event June 5th 2008

⁵ Professor Tom O'Malley, in evidence to the National Assembly of Wales Broadcasting Committee, June 2008

⁶ Andy Burnham, Secretary of State for Culture Media and Sport, in a speech to the Broadcasting Press Guild, June 16th 2008

Section 3. How well are the public service broadcasters delivering public purposes?

i) Do you agree with Ofcom's assessment that television continues to have an essential role in delivering the purposes of public service broadcasting?

23. We do agree with Ofcom's assessment that television continues to have an essential role in delivering the purposes of public service broadcasting. We believe that despite changes in consumption of digital media, television – especially public service television - still possesses a unique power to engage with large audiences and influence social change.

24. We are encouraged by Ofcom's research in the PSB Tracker which shows two elements that we consider are essential to public service broadcasting are also valued highly by viewers: *"statements relating to informing us emerged as the most important of all. "Its news programmes are trustworthy" and "Helps me understand what's going on in the world" were the statements rated as most important by audiences."*⁷

25. IBT is also pleased to note: *"Television remains a central part of people's lives and is still the main source of news and entertainment for most people.... This is the case for people of all ages, socioeconomic groups and ethnicity."*⁸

26. IBT believes that the ambition to maintain high standards in PSB which tells viewers about the wider world is in line with the public's expressed desire to understand more about the world around them. They are satisfied with provision currently and do not want it to be eroded: *"Satisfaction with delivery of the purpose relating to informing ourselves and others and increasing our understanding of the world is relatively high across the range of public service broadcast channels. Around two-thirds of respondents said they believed that public service broadcast channels' programmes were trustworthy and helped them "understand what is going on in the world today".*⁹

ii) Do you agree that UK-originated output is fundamental to the delivery of public service broadcasting purposes?

27. IBT agrees with Ofcom, that the reflection of the UK's cultural identity through original UK-oriented programming is a key public service purpose

⁷ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) page 26

⁸ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) page 30

⁹ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) Page 45

but we would argue that it is essential for broadcasters to always present the UK as part of the wider world; to not categorise programming as either ‘domestic’ or ‘international’ since in a globalised world these terms are less meaningful.

28. IBT also considers it is vitally important to ensure the provision of high quality UK-originated programming which acknowledges the cultural diversity of the UK and is aimed at different age groups. This aspect of programming provides the opportunity to make direct connections to countries, cultures and events outside the UK.

Section 4. The changing market environment

i) Do you agree with Ofcom’s conclusions about the way that other digital channels and interactive media contribute towards the public purposes?

29. IBT agrees with Ofcom’s conclusions that there are many new opportunities offered by digital platforms to maintain audience reach and sustain advertising revenues by targeting new markets.
30. IBT agrees with Ofcom that there is also the potential of increased public value in that programme archives can be made accessible and time-shifted viewing is possible.
31. IBT agrees with Ofcom that the portfolio channels do not fulfil public service purposes in the same way the terrestrial channels do.
32. IBT also agrees that significant contributions are made to public service content by non terrestrial television services, such as Sky News, Discovery, The History Channel, The Community Channel, Channel M and Teachers TV. These contributions are important to the current plural mix of public service provision but cannot be guaranteed because they may become commercially less viable in the future and therefore should not be considered a long-term reliable contribution.
33. IBT agrees that the internet is meeting public purposes in new and innovative ways. One of the most important aspects of the new, innovative way in which the internet can expand people’s horizons is that it *empowers individuals to collaborate in the creation of their own content*.¹⁰
34. IBT believes that all public broadcasters in the digital age should have an explicit online policy which supports their public service goals and priorities. It is our belief that currently broadcasters perceive online platforms as a method of driving people to watch more television or listen to more radio, but we believe they should be focused on engaging viewers in a more

¹⁰ Ofcom’s Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) page 59

interactive process. In order to develop their use of online, IBT believes that each public service broadcaster should have a clearly defined remit for online PSC which isn't funded from news and current affairs budgets, thus potentially undermining their viability. In our opinion, online content should explicitly be a resource for citizenship – global citizenship: a means for people to find out more about events in the UK and the world; a means for them to access a greater variety of voices and opinions; to communicate with others; to share ideas; to be active and engaged citizens.

Section 5. Prospects for the future delivery of public service content

i) Do you agree with Ofcom's assessment of the implications of different economic scenarios for the UK TV market for the future prospects for delivery of the public purposes?

35. The “ecology” of public service broadcasting has changed since the Communications Act in 2003. Digital switchover has already begun in some regions, impacting on the viewing habits of citizens. Fragmentation of the market has continued. Advertising revenues are down. IBT agrees with Ofcom's analysis that the audience share of the public service channels, taken together, is likely to continue to decline and it is our belief that this will only exacerbate trends in programming which tells us about the wider world to which we have already referred to in this submission – namely marginalization of programmes with international content and increased stereotyping.
36. Under these circumstances we agree that it is likely that content which reflects UK perspectives will come under increasing pressure as the need to find foreign co-production funding increases. IBT agrees that there is *likely to be a greater trend towards formats and series that can be sold overseas*.¹¹ But it is also a concern to IBT that non-news UK-oriented programming which is filmed about matters of international significance will diminish as budgets are reduced.
37. IBT agrees that there “*are likely to issues around the ‘discoverability’ of content available reducing its reach and impact on citizens.*”¹² . We strongly agree with Anthony Lilley who recently said, “*the scarcity.... is not in distribution, it's not even really in content, it's in attention from the audiences. We are entering an attention war with entities like Google who concentrate on attention first and distribution second, and that's how they make their money...In the old days distribution used to guarantee attention, it*

¹¹ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) page 70

¹² Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity (2008) page 62 paragraph 5.4

*doesn't really do that any more... and solutions to this problem need to be found.”*¹³

38. IBT agrees that the continued fragmentation of the audience will lead to reduced impact of public service content and we are concerned by this trend, but we welcomed the statement by the Secretary of State, when he said that *“there does come a point when you have to question and ask where what is good for the consumer can be bad for the citizen.”*¹⁴ We understood this statement to question whether digital switchover will leave the viewer better off. It appears obvious that the consumer will benefit from DSO, with more choice of free-to-air channels, but the worry is that the citizen may end up worse off if public service broadcasting standards are lowered and content is less discoverable in the proliferation of channels. IBT's concern is that the quality and content of programming about the wider world will be diminished and that the trend for this type of programming to be less mainstream will continue, with it being transmitted on more specialised, niche channels which attract fewer viewers and are, in our opinion, often less engaging for the wider audience.

ii) Do you agree with Ofcom's analysis of the costs and benefits of PSB status?

39. IBT agrees with Ofcom's analysis of the costs and benefits of PSB status¹⁵ but we question the financial modelling which allows the prediction of dates when costs of PSB licences will exceed benefits. We support Patrick Barwise's (London Business School) questioning of this modelling with the argument that the downturn in ITV's financial fortunes could slow with multi-channel and digital saturation almost complete which may reduce the financial pressure and allow it to more easily deliver its PSB obligations.
40. IBT agrees that interactive and online services are likely to play an important role but that discoverability will be the biggest problem. Refer to Paragraph 37 above.

Section 6. Meeting audience needs in a digital age

i) Do you agree with Ofcom's vision for public service content?

41. IBT agrees that the principles of universally available free-to-air content and plurality are the fundamental foundations of public service content.

¹³ Anthony Lilley presentation to the Westminster Media Forum PSB event, June 2006

¹⁴ Andy Burnham, Secretary of State for Culture, Media and Sport, Speech to Convergence Think Tank June 11th 2008.

¹⁵ As expressed in Figure 41 of Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity

42. IBT strongly agrees with Ofcom in its definition of the areas of programming which are required on a range of platforms for the public service broadcasting mix: news, both local and international, regional programming, children's content, drama that reflects life in the UK, factual content which stimulates knowledge and content which *caters for different communities of interest, ethnicity, life circumstances and so on.*¹⁶
43. It is clear from Ofcom's research that the market is unlikely to provide this public service content of its own accord and therefore IBT agrees that intervention will be required.
44. IBT agrees that *'intervention to achieve public purposes will need to take different forms in future... because the future will not be about linear television alone, but a rich mix of linear broadcasting and new and diverse forms of content and delivery'*¹⁷
45. IBT disagrees, however, with the suggestion of funding the distribution of digital channels which are privately owned *"one possibility would be to enhance their impact by subsidising the wider distribution of these channels if the public benefits of doing so outweighed the costs"*¹⁸. Digital channels will continue to provide public service content only while it suits their commercial purposes. The principle of providing public funding to maximise the visibility of content produced by privately-owned companies where shareholder interests are necessarily placed above public value is in IBT's view completely inappropriate.
46. We strongly agree with the points made regarding core public service content being available free-to-view through provision on a range of platforms for at least one viewing opportunity.¹⁹
47. We disagree, however, with the use of *"paid for platforms to deliver some public service content is appropriate if those platforms can deliver greater reach or impact among a particular target audience than free-to-view platforms do"*²⁰ on the basis that this conflicts directly with the principle of

¹⁶ Ofcom's Second Public Service Broadcasting Review, Phase One:The Digital Opportunity, page 76, Paragraph 6.4

¹⁷ Ofcom's Second Public Service Broadcasting Review, Phase One:The Digital Opportunity, page 78, paragraph 6.11

¹⁸ Ofcom's Second Public Service Broadcasting Review, Phase One:The Digital Opportunity

¹⁹ Ofcom's Second Public Service Broadcasting Review, Phase One:The Digital Opportunity, page 83, Paragraph 6.34 i) and ii)

²⁰ Ofcom's Second Public Service Broadcasting Review, Phase One:The Digital Opportunity, Page 83 paragraph 6.34 iii)

public service broadcasting which is free and accessible to all. This is likely to increase the divide between those who can afford certain services and those who cannot.

ii) How important are plurality and competition for quality in delivering the purposes of public service broadcasting, and in what areas?

48. IBT believes the case for plurality and competition for quality in public service broadcasting is indisputable.
49. IBT agrees with Ofcom that plurality is essential for a thriving public service ecosystem in order to provide a diversity of voices; to provide healthy competition as an incentive to maintain standards and innovate; to enhance reach and impact.
50. IBT believes a plurality voices is crucial for a healthy public service broadcasting system because it supports the Ofcom PSB purpose to ‘represent diversity and alternative viewpoints’ and also ‘reflects the UK’s cultural identity’. Additionally we believe diversity is important because access to a variety of voices from around the world will lead to a better ‘understanding of the world’ among viewers, another key PSB purpose.
51. IBT agrees the market is likely to provide some plurality to the BBC without intervention but we understand this is not guaranteed. To quote Carolyn Fairbairn of ITV, *“what might a future fully commercial ITV look like...?.. There will be no guarantees. I think initially you might get something that looked very similar. I think as you know, ITV’s strategy is to continue to invest very strongly in original content... we would do what we could afford, we would take a year by year look at exactly what we can do, but there would be no guarantees and that’s what would be given up by moving to a purely commercial world for ITV”*²¹. And Sue Robertson of Five: *“we want to remain a public service broadcaster at Five and we have no plans to give up our PSB role. However I very much agree with what Carolyn said that there are no guarantees if we weren’t a public service broadcaster and if you really wanted to see a picture of what I think it would become like in Five’s case, you’d see an erosion of our commitment to UK originated programming, quite a significant one I would have thought”*²²
52. IBT maintains that the BBC should remain the cornerstone of British broadcasting and online platforms working together with ITV, Channel 4, S4C

²¹ Carolyn Fairbairn, Director Group Development and Strategy, ITV speaking at Westminster Media Forum – The Public Service Broadcasting Review, May 14th 2008

²² Sue Robertson, Director of Corporate Affairs, Five, speaking at Westminster Media Forum – The Public Service Broadcasting Review, May 14th 2008

& Five, to provide leadership in delivering the public service broadcasting purposes.

53. IBT believes that plurality is especially crucial in news, both national, international and local; current affairs; and children's programming in providing alternative perspectives, information about the wider world and a diversity of viewpoints.
54. Since it has been made very clear by the Commercial PSBs that without intervention, public service content will not be guaranteed it is IBT's belief that there is need for intervention to ensure plurality of provision is guaranteed in all PSB genres as outlined in Paragraph 53 above.

iii) In maximising reach and impact of public service content in the future, what roles can different platforms and services play?

55. It is IBT's view that different platforms can significantly increase reach and impact.
56. Online especially, as stated above, can provide a different type of engagement for the public – allowing them to become active global citizens, rather than passive viewers of television. It can provide them with the means to connect with people and communities around the world and can allow 'virtual' communities to be established, as in the example of Teachers TV which has strengthened the teaching community in the UK. We believe that the online aspect of broadcasting and all that it offers provides the key to reinventing public service broadcasting in the digital age. If online platforms are not simply viewed by broadcasters as an extension to their existing linear platforms, there is a world of opportunity to engage viewers in innovative, exciting and surprising ways. This approach is central to IBT's belief that members of the public are potentially active global citizens rather than passive consumers of television and we should encourage broadcasters to fully engage with them using all the opportunities that new technology offers.
57. While it is IBT's opinion that there are enormous possibilities afforded by different platforms, especially online media, we shouldn't disregard the power of television which will remain the main provider of information about the wider world for the foreseeable future.

iv) Do you agree that the existing model for delivering public service broadcasting will not be sufficient to meet changing needs in future?

58. Yes we agree that the existing model for delivering public service broadcasting will not be sufficient to meet changing needs in future.
59. IBT believes that this is a moment of significant opportunity to rethink

the delivery methods, approach and priorities of public service content. The old model of public service broadcasting for television has served well up until now, but it is no longer adequate in a multi-platform, digital, globalised world where citizens need to interact and be better informed about what is going on outside the United Kingdom. IBT supports Ofcom in its ambition to reinvent the public service broadcasting model and we believe that it should be rethought with internationalism at its heart so that UK citizens are well informed and can play a full role as active global citizens. As stated above, we believe that the online digital world holds the key to people becoming active citizens, rather than passive consumers or viewers of television. We believe this challenge to reinvent public service broadcasting is not being taken up by the mainstream broadcasters and that they need to be encouraged to collaborate in the interest of British citizens to provide a plural mix of public service content for all age groups on a variety of platforms which tells us about the wider world. It is our view that the current debate is out of touch with what the public wants and is dominated by the main broadcasters preserving their positions.

60. It can be seen from IBT's recent research in *Screening the World* (2008) that plurality in provision of programming about international events of significance is diminishing. The BBC is becoming the overwhelmingly dominant provider of programming for children and ITV's provision of serious factual international programming is on the decline. If current trends continue on mainstream channels, instead of broadening understanding, television is likely to limit people's horizons. It is doing this by increasingly reinforcing stereotypes about other countries and moving programmes about international affairs onto niche channels which attract far smaller audiences.

Section 7. Future models for funding and providing public service content

i) What are your views of the high-level options for funding public service broadcasting in future?

61. We agree that "*perhaps in some specific areas resources could be used more effectively by other providers than the BBC. For example the BBC's reach among younger viewers and minority ethnic audiences is lower than over providers*".²³ This means there could be greater plurality in provision for certain sectors of the audience which would be for the greater good. We do not, however, agree that this point justifies the argument to top-slice the licence fee.
62. We support direct public funding in the case of lottery funding, or hypothecated proceeds from spectrum awards.

²³ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 91, paragraph 7.7.

63. We do not support reducing the licence fee provision to the BBC under any circumstances whether this is direct or indirect. We do not agree with the proposition of redistribution of the 'excess licence fee' which doesn't exist if inflation is taken into account in the current licence fee settlement.

64. We support the use of regulatory assets to raise additional funding or in return for public service obligations.

65. We agree that industry funding is a possibility in the form of levies although we note the potential detrimental market impact.

ii) Are the proposed tests of effectiveness for future models for public service broadcasting the right ones?

66. In IBT's opinion they are the right tests of effectiveness for future models of public service broadcasting.

iii) Of the four possible models for long term delivery of public service content, which, if any, do you consider the most appropriate and why? Are there any alternative models, or combination of models

67. Model 1 is the only model which includes the commercial public service broadcasters remaining public service providers and therefore the only model IBT can explicitly support.

68. IBT believes that any successful PSB mix will include the BBC with competition provided by a strong, supported Channel 4, as well as some provision from ITV and Five in specific areas, such as UK production, regional and international news in return for their prominent positions on the EPG and reduced-cost spectrum.

69. It is IBT's view that areas of programming at risk, such as nations and regions, regional news, programmes about the wider world, and children's programming should each be examined individually and individual solutions need to be found for each.

70. An alternative model to help solve the shortfall in children's television, for example, could be drawn from the example of Teachers TV. See Paragraph 93 below.

71. For nations and regions programming, including regional news there are a number of options which need fuller examination in phase two of the PSB review – we agree that one option which needs fuller investigation is that *“provision could be opened up to new providers who are not part of the*

*current statutory framework but who already deliver services that partially meet national and regional audiences' public service needs"*²⁴.

Section 8. Options for the commercial PSBs

i) What do you think is the appropriate public service role for Channel 4 in the short, medium and long term? What do you think of Channel 4's proposed vision?

- 72. IBT welcomes and applauds Channel 4's vision for the future as set out in *Next on 4*. We especially welcome the channel's ambitions to "challenge people to see the world differently" and "inspire change in people's lives" which we believe have internationalism and interactivity at their core.
- 73. IBT believes Channel 4 is the channel best-placed to provide an alternative voice to the BBC.
- 74. IBT believes that Channel 4 is ideally placed to engage a younger, more ethnically diverse audience with world affairs.
- 75. IBT recognises that there is a need for medium-term intervention in order to financially support Channel 4 in its delivery of public service content and in order to safeguard its vision for the future
- 76. IBT welcomes Channel 4's investment in pilot programming for 10-15 year olds and believes that the channel could provide essential plurality and an alternative perspective in programming aimed at this age group. We would especially welcome programming for this age group about the wider world which is in line with Channel 4's vision to challenge people to see the world differently and to champion alternative voices and fresh perspectives.
- 77. IBT also welcomes Channel 4's commitment to minority audiences which includes the black and ethnic minority audience which is the most underserved audience in the UK and has its roots outside the UK and therefore is likely to be interested in events going on in the wider world.
- 78. IBT welcomes Channel 4's vision for the future but encourages the channel to devise a method of measurement of public value which will provide it with a means to measure whether it is delivering these purposes and enable it to be more accountable.
- 79. IBT supports the proposal of increased advertising minutage as long as it comes between programmes and the number of advert breaks is not increased per hour.

²⁴ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 97, paragraph 7.32

80. IBT believes that the Terms of Trade Channel 4 has with its suppliers should be examined and we question whether they should be renegotiated in Channel 4's favour, making the company's business model more sustainable in an ever-competitive marketplace.
81. IBT does not support the proposal for Channel 4 to take a stake in BBC Worldwide because this would effectively be an indirect method of top-slicing the licence fee because profits from BBC Worldwide are currently reinvested into BBC programming, so it would effect a reduction in BBC programme budgets.
82. IBT believes that Channel 4 should remain a not-for-profit, publicly-owned company.

ii) Which of the options set out for the commercial PSBs do you favour?

83. ITV1 – IBT believes that ITV should continue to provide public service programming, especially services for and from the devolved nations and English regions. It should also continue to provide national and international news; it should be required to provide a quota of uk-commissioned, uk-oriented programmes and it should be held to deliver on its 'Tier 3' commitments in the 2003 Communications Act to cover 'international matters of significance'. While we are sympathetic to the commercial arguments, we believe there is an inherent value in their positioning on the EPG, their strong brand and a backlog of publicly funded archive material: *"if ITV were to walk away from its regional licences, it will be taking with it the archives and brand profile that were produced in the context of significant public, political and financial support."*²⁵ and we agree with the Secretary of State when he says that for ITV, *"the past is important, and ITV's DNA is in the regions, in regional production. It may be inconvenient to some people that people like regional news, but they do."*²⁶
84. GMTV – we welcome the fact that GMTV *"sees little need for regulatory relief"*²⁷. We welcome the extra plurality that GMTV provides in news but recognise that there *"may be economies of scope or scale which might be created by merging the morning licence back into the ITV1 licence structure."*²⁸

²⁵ Professor Tom O'Malley, in evidence to the National Assembly of Wales Broadcasting Committee June 2008.

²⁶ Andy Burnham, Secretary of State for Culture Media and Sport, Speech to the Broadcasting Press Guild, June 16th 2008

²⁷ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 106, Paragraph 8.12

²⁸ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 107, paragraph 8.15

85. Five – we believe that Five should remain a public service broadcaster in contributing to plurality in news provision and current affairs and in investing in original UK-orientated content.

Section 9. Scenarios for the UK's nations, regions and localities

We will not comment on this section of the Ofcom PSB Review because it is outside IBT's core interests and expertise

Section 10. Prospects for children's programming

i) Do you agree with our assessment of the possible short-term options available relating to children's programming; are there any other options available?

86. IBT strongly agrees that some form of short term intervention in children's programming will be necessary to ensure continued delivery in the medium to long term.
87. IBT's recent report, *Screening the World (2008)*, identified a worrying dominance of North American content for children on UK television and a lack of programming telling children about the wider world and people who live outside the UK.
88. Key Findings for Children's Television were as follows: *"The results for terrestrial channels demonstrate the dominance of North America, (46% of all international children's programming) and the crucial role of the BBC in providing a diverse range of new international children's programming. Of the 19 digital channels investigated during the 2 week sample period, only 7 channels had any developing country programming at all. This amounted to only 7% of all international programming which was overwhelmingly dominated by North America. North America was found to be the focus of 79% of all international children's programming over this period. The results for Blue Peter and Newsround demonstrate the vital role that both programmes play, in providing diverse content about the wider world outside the US and UK. Blue Peter's coverage of developing countries was greater and more varied than ITV1, Channel 4 or FIVE during 2007. One note of caution, however, is that with audiences of around 400,000 for both Blue Peter and Newsround, the impact they have is less than it once was."*²⁹
89. While understanding that under the Communications Act 2003 it is not possible to require commercial PSBs to provide a set number of hours of children's programmes per year, we believe this is regrettable because IBT's 2008 research supports Ofcom's findings in *The Future of Children's*

²⁹ IBT - Screening the World, How Broadcasters portrayed the wider world in 2007-8, Martin Scott, page 6

Television Programming which highlight a lack of plurality in provision of this genre.

90. The BBC is already superserving the audience with its provision of children's content. We particularly praise *Newsround* and *Blue Peter* for transmitting programming about the wider world which is engaging for British children and encourages them to see the wider world as an extension of the UK, emphasizing the links we have with those who live in other countries.
91. Although broadly we congratulate the BBC on its children's programme we welcome the opportunity to contribute to the current BBC Trust Review of Children's Programming because we believe there are missed opportunities, especially in drama and factual, to engage children in events and people who live in the wider world.
92. IBT welcomes Channel 4's announcement of its investment in pilot programming for 10-15 year olds and encourages the broadcaster to commit to providing a truly alternative perspective on life in the UK and how the UK fits into the wider world for this age group.
93. IBT would propose that alternative models should be considered for provision of children's television, taking Teachers' TV as an example of a successful venture which is providing public service programming for a specific sector of the audience. IBT would like to encourage Ofcom and the Government to consider the proposition of a channel based on the Teachers TV model which is co-funded by a number of different government departments all of which have an interest in maintaining high quality, informative and engaging children's programming. These departments include the Department for Culture, Media and Sport, the Department for Children Schools and Families, the Home Office, the Department of Health, Department for International Development, to name but a few.

Section 11. Timetable for implementing a new model

i) Do you agree that new legislation will need to be in place by 2011 in order to ensure continued delivery of the public purposes in the medium and long term?

94. IBT agrees with the statement "*The future of the UK media landscape is highly uncertain and difficult to predict. There is likely to be rapid change in the way that audiences consume media, which will lead to new opportunities. However, changes in media consumption also entail a number of risks for the commercial public service broadcasters.*"³⁰

³⁰ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 137, paragraph 11.2

95. IBT agrees that the two areas of public service broadcasting which are at risk in the short-term are UK-originated programming for children, especially that which tells them about the wider world which is our concern; and programming for the devolved nations and the English regions.
96. IBT agrees that Channel 4 is likely to face growing financial pressures and, without a new financial solution, will find it difficult to deliver its public service remit.
97. IBT doesn't, however, agree with the economic modeling which indicates that in the medium term the value of some of the commercial public service broadcasters' licences are likely to be outweighed by the costs.
98. IBT agrees that in the medium term the commercial public service broadcasters are likely to drop programming in the following areas: "*specialist factual programming, current affairs, scripted comedy and some forms of UK drama (alongside UK children's content and programming for the nations and regions). UK-originated programming in general may also be at risk.*"³¹ For IBT this is particularly worrying because all these genres are essential for a public service provision of engaging, popular programming which tells us about the wider world.
99. IBT believes that new legislation will be required by 2011 in order to develop a new regulatory model that will support Channel 4 and enable other commercial public service broadcasters to capitalize on new opportunities.
100. IBT notes the extensive process of deliberation and consultation that took place in the run up to the Communications Act in 2003, including the Green Paper of July 1998, the White Paper of December 2000, a draft Bill of May 2002, a Joint Committee of Both Houses, chaired by Lord Puttnam which reported in July 2002 before the actual legislation received Royal Assent in July 2003.
101. While IBT strongly agrees that "*new legislation will require careful consideration and will entail a wide-ranging debate*", we urge Ofcom and the Government consider short to mid-term solutions which will support those areas of public service programming most at risk or valuable elements of public service broadcasting could be lost forever. These solutions may have to be in the form of secondary legislation and may have to be put in place prior to any further primary legislation being passed.
102. IBT agrees that any new regulatory model will require new legislation. IBT further agrees "*it is important that this new legislation is put in place well before the initial licensing period of the existing commercial PSB licences*

³¹ Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 138, paragraph 11.9

*expires in 2014 to give certainty to public service broadcasters and to audiences”.*³²

³² Ofcom's Second Public Service Broadcasting Review, Phase One: The Digital Opportunity, page 139, paragraph 11.14

Background to IBT

This submission represents the views of IBT and its members.

We welcome the purpose of the current Ofcom review, like its predecessor, to make recommendations to ‘maintain and strengthen’ public service broadcasting. IBT believes communications regulation should at all times seek to protect, maintain and strengthen the provision of public service broadcasting content especially preserving content about the wider world in an age where the impact of international events is more keenly felt than ever.

The International Broadcasting Trust (IBT) is an amalgamation of two sister organisations: the former Third World and Environment Broadcasting Project (3WE) and former International Broadcasting Trust (IBT). The new IBT is an educational charity which seeks to promote high quality television and new media coverage of matters of international significance. In the past, 3WE has been active in this area and this submission fully reflects 3WE’s long history of campaigning on these issues and arguing that international coverage on television is a necessary tool in informing us all, as global citizens.

IBT represents a coalition of international charities campaigning for high quality television coverage of **‘matters of international significance or interest’**. Its members include: ActionAid, Amnesty International, British Red Cross, CAFOD, Care UK, Christian Aid, Comic Relief, Concern UK, Friends of the Earth, Merlin, Oxfam, Plan UK, Practical Action, Progressio, RSPB, Save the Children, Sightsavers International, Skillshare International, Tearfund, UNA UK, UNICEF UK, VSO, the World Association for Christian Communication and World Vision. IBT is a registered charity, number 326150.

3WE has contributed to every major broadcasting policy consultation since the Government first began regulating converged communications in 1997. 3WE was instrumental in persuading the government to amend the Communications Bill so that a requirement for public service television to cover ‘matters of international significance or interest’ was included in the final Act [Section 264(6)(f)].

Empirical Research

The earlier work of 3WE in monitoring the quantity and range of non-news and current affairs factual programming on international issues continues. These statistics have been published biennially since 1991. The latest report in this series, *Screening the World*, was published in June 2008.

In addition to this quantitative research, IBT has also published its own qualitative research, looking at the changing nature of television coverage of the developing world and exploring the different perspectives of broadcasters and viewers. The latest IBT qualitative report, *Reflecting the Real World 2*, was published in September 2007.

Guiding Principles on Communications

The principles below reflect the concerns of IBT's member agencies regarding adequate common understanding of the world in which we live. These concerns are shared by millions of UK supporters of our organisations.

IBT's members, being intimately and operationally concerned with the effects of 'globalisation' on communities and environments around the world, and with communicating across the world, welcome the advent of the global information society (GIS).

We believe the provision of information to society has the potential to:

- bring individuals, communities and countries together in common understanding of the processes of globalisation, the challenges of sustainable development and the necessity to care for the planet and for each other;
- contribute to protecting human rights, peace and security;
- enable effective global networking and interaction between concerned constituencies, including the formation of new non-geographical communities;
- create stronger public awareness of globalisation and its impacts on all our lives, and thereby to 'make sense of the world'.

IBT believes that public policy should aim to achieve a Global Information Society which is:

- inclusive;
- diverse and pluralistic;
- enabling and empowering of its citizens, giving them the means to fulfil their potential as individuals in an interdependent world;
- adequate to the great challenges of globalisation;
- capable of supporting the universal goal of sustainable development