Section 1

Executive Summary

Access to public service content has expanded dramatically, but the public service broadcasters continue to play a dominant role

1.1 In 2003, when the Communications Act came into force and we started our first review of public service television broadcasting, the world was very different. Digital television was for a minority. Freeview was only a year old. Domestic broadband was rare. Now Freeview is the leading television platform, 87% of homes watch digital services, and the majority of homes have broadband access.

1.2 In the first PSB Review, we defined public service broadcasting by its purposes and characteristics. Our research shows that audiences across the demographic spectrum continue to believe that those purposes and characteristics are vitally important. Television – and the public service channels in particular – are seen to have an essential role to play in delivering the purposes of public service broadcasting.

1.3 As we complete the first phase of our second statutory review, consumers and citizens are also turning to interactive media to fulfil many of the needs historically served by public service television broadcasting. The internet has emerged as a significant source of information, educational content and entertainment, particularly for younger audiences. Interactive technologies are beginning to play a key role in informing us and supporting participation in democratic processes. Other television channels play a role too, with significant numbers of viewers now seeing digital-only channels as their primary source of entertainment, sports and knowledge about other topics that interest them.

1.4 The growth of digital television and the internet has broken down geographic boundaries and allowed audiences to see much more of the world's best content. Digital channels offer acquired programming with high production values, often from the US. The internet creates a platform for new talent, and for niche providers and individual voices to reach an audience. Consumers and citizens today have a huge digital opportunity: greater access than any previous generation to information from around the world and about the topics that interest them.

1.5 Nevertheless, audiences attach high value to content that reflects the UK in all its facets, which they see as essential to maintaining our cultural identity and social cohesion. While international content has a role to play, UK origination is essential to delivering the four purposes of public service broadcasting – increasing our understanding of the world through news and analysis, stimulating knowledge and learning, reflecting UK cultural identity and making us aware of different cultures and alternative viewpoints. None of these purposes can be achieved without significant amounts of new UK content, reflecting the values, perspectives and lives of UK consumers and citizens.

1.6 In this respect, the public service television channels – the BBC's channels, Channel 3/ITV1, Channel 4, S4C and Five – continue to play the dominant role in delivering public service purposes. These channels account for over 90% of investment in new networked UK-originated television content, despite increases in some digital channels' investment in UK programming in recent years.

1.7 Beyond linear television, a wide range of commercial, civic and community providers deliver public service content online, including in areas where the economics of linear television are challenging, like the arts or local news. More seems likely to follow, as barriers to making content available online continue to fall. Research suggests central government alone spends around £70-90 million on public service content online, with local and devolved government estimated to spend a further £45-55 million.

1.8 But this expansion of choice can create new challenges as well as opportunities. Audiences report some difficulties with finding and accessing content that meets their needs, both on digital television and online. Not all audiences currently benefit from access to online services, whether by choice or by exclusion. Ensuring easy access to and 'discoverability' of public service content is likely to become increasingly important in a digital age.

Overall, the public service broadcasters are meeting public purposes, but gaps are appearing in some areas

1.9 Overall, audiences believe that the main public service channels are achieving the purposes of public service broadcasting. Provision of and investment in public service broadcasting has been broadly stable over the past four years. The amount of UK originated programmes in peak time has declined slightly since 2003, but some genres have seen increases, particularly factual programming. Most people still feel that the public service broadcasters (PSBs) deliver well-made, high quality programmes; satisfaction with delivery of news and information is particularly high. The BBC is particularly valued, and is seen by audiences as the cornerstone of public service broadcasting, demonstrating that publicly funded provision can ensure delivery of valued content, even in today's rapidly changing media environment.

1.10 However, there are some areas where audiences expect more than they currently receive from the main five channels, particularly programming from the UK's nations and regions and UK children's content. Provision in these areas is relatively secure from the BBC, but not from commercial broadcasters, as the value of the analogue spectrum which underpins much commercial public service programming declines as digital take-up continues. Audiences expect more from all the main broadcasters in terms of new and innovative programming.

1.11 More choice of channels for audiences means that achieving reach and impact for the public service television channels is inevitably more challenging. The share of the main five channels has fallen by 17% between 2003 and 2007, although they still account for almost two thirds of all television viewing. The decline is much greater amongst 16-24 year olds (who have grown up with the internet) and among people from ethnic minority groups (where the main five channels now represent a minority of viewing). Our research shows that often these audiences do not turn to the public service channels as their first choice for public service content; they turn to digital channels and increasingly the internet.

The pace of change is likely to intensify, with significant implications for achieving public service purposes

1.12 As audiences embrace digital media, new opportunities for public value are being created. Choice for consumers and citizens is likely to continue to expand as digital switchover completes and take-up of broadband services continues. Control through personal video recorders and access to video on the internet will become more widespread and faster, both at home and on the move. The next generation of broadband could allow high definition video content on demand. Virgin Media has already announced up to 50Mb/s services in some areas and BT will provide up to 100Mb/s access in some new housing. A new wave of television equipment may become widely adopted, integrating broadband access and storage capability to bring together access to content on the internet and broadcast television on the same living room screen.

1.13 Large spectrum releases – especially the reuse of the analogue television spectrum – could enable new mobile television services, further digital terrestrial television channels and more wireless broadband. The reorganisation of the existing Freeview multiplexes will allow new services, including high definition channels, on digital terrestrial television as well as on cable and satellite.

1.14 In this rapidly changing environment, it is difficult to predict exactly how markets will evolve and what need for intervention in public service content will remain. Economic modelling commissioned by Ofcom suggests three main conclusions:

i) Continued evolution in the way audiences consume media will present a range of new opportunities for delivering public service purposes. However, there is a broad range of plausible outcomes for audiences' future use of different kinds of media, and the level of take-up of innovative interactive and mobile services;

ii) Under a wide range of scenarios, the reach and impact of the designated public service linear channels is likely to continue to decline;

iii) As media fragment and competition intensifies, the level and mix of investment in UK-originated content is likely to decline, with particular pressure on innovative or risk-taking programming.

1.15 The BBC is likely to continue to make a strong contribution to the purposes of public service broadcasting, given its scale and the certainty of its finances to the end of digital switchover. For Channel 4 and the commercial public service channels, different scenarios suggest very different outcomes. In considering the prospects for their ability to meet their current public service goals, we need to distinguish three periods:

- Short-term: before the completion of digital switchover - from now to 2011
- Medium-term: from the end of switchover to the end of current commercial broadcasting licences - from around 2011 to 2014
- Long-term: past the end of current commercial broadcasting licences - beyond 2014.

1.16 In the short-term, the major challenges are the decline in the amount of UK children's programming for older children, and programming for the nations and regions. These issues are addressed in more detail below.

1.17 In the medium-term, a wider set of issues need to be resolved, which demand careful consideration now. Nations and regions services on ITV1 (including stv, UTV and Channel) may become increasingly unsustainable, even at a reduced level. By 2011, one or more of the ITV1 licensees may face a commercial decision to hand back their licences. However, Five's public service contribution looks secure throughout this period, although pressure on its investment in original UK content may grow.

1.18 For Channel 4, both the financial review conducted by LEK in 2006-07 and our further analysis for the current review suggest that it will need greater certainty in its funding model if it is to continue to make a robust and effective contribution to public service purposes. In the medium-term, its contribution to public service programming could come under significant pressure: in current affairs, international news, specialist factual programming (such as arts, science, religion and social documentary), original UK drama and scripted comedy, and innovative, risk-taking programming more generally. Its reserves may be sufficient to maintain its public service contribution in the short-term but it needs clarity about its longer-term funding position.

1.19 In the long term, a wider range of options is available at the point of renewal of the existing commercial broadcasting licences. It is legitimate to ask whether ITV1 and Five should have any specific ongoing institutional role in delivery of public service broadcasting; likewise Teletext and GMTV. If Channel 4's special role were to be maintained, it would need a new remit, a sustainable and proportionate funding model and accountability arrangements.

1.20 This analysis suggests that all the commercially funded PSBs will need clarity about their long-term roles by 2011 at the very latest, when for some the costs of their public service broadcasting commitments may outweigh the benefits and for all the potential end of their existing broadcasting licences will be only three years away. This will enable them to plan confidently for the future whether as public service institutions or as purely commercial businesses.

Audiences value competition for the BBC in provision of public service content, which will require new sources of funding in a digital age

1.21 Our vision for the future delivery of public service content is driven by the ongoing needs of the audience, as access to digital television becomes universal and take-up of new platforms continues to grow. It is for a system which:

- delivers high levels of new UK content meeting the purposes of public service broadcasting;
- provides public service content which is innovative, original, challenging, engaging and of consistently high quality;
- is available in a form, and on a range of platforms to achieve maximum reach and impact;
- ensures competition for the BBC in each public purpose with sufficient scale to achieve reach and impact;
- exploits the distinctive benefits of different delivery platforms; and
- supplies diverse content which meets the needs of all communities within the UK.

1.22 Our analysis suggests that the current model will struggle to deliver this vision: to provide content reflecting UK values, perspectives and identities, and to ensure levels of diversity and innovation within the overall mix; to ensure delivery of particular genres; to deliver reach and impact of public service content; and to maintain incentives for the commercial broadcasters to remain part of the public service broadcasting ecology.

1.23 At the same time, new digital opportunities represent exciting prospects for the delivery of public service purposes. To exploit these opportunities, public service content providers will need to use a wide range of platforms, to meet different audiences' needs in more targeted ways. Three particular questions arise:

- Can the value of existing broadcast public service programming be enhanced by making current and archive content available on demand and in different forms through a variety of media?

- What new forms of public service content are now possible – forms which take full advantage of interactive media's participatory and collaborative potential?

- How do we capitalise on the wide range of providers – private, public, voluntary sector and individuals – who are already producing an unprecedented diversity of interactive content which in many respects meet public purposes and characteristics already?

1.24 The range of needs that public service broadcasting seeks to address is therefore expanding. But the resources available to public service institutions beyond the BBC to meet these needs are declining. Our analysis shows that total implicit funding for commercial public service broadcasting has declined by a quarter – around £130 million in real terms – since the Communications Act was passed in 2003. By 2012 it is projected to decline by nearly two thirds since 2003 – a total of over £300 million flowing out of commercial public service broadcasting. By this time, if nothing changes, the BBC will receive over 90% of all funding for public service broadcasting, up from a little over 80% in 2003.

1.25 Audiences believe that competition for the BBC in provision of public service content – often referred to as plurality – is critically important. Our analysis suggests that plurality continues to deliver benefits to audiences in three areas. First, it guarantees access to a range of voices and perspectives. Secondly, it enhances reach and impact of public service content, because different organisations reach certain audiences more effectively than others. And finally it acts as a competitive spur, helping to ensure public service broadcasting remains relevant and focused on meeting audience needs. In this sense, plurality is key to the continued success of the BBC as well as the commercially funded public service broadcasters

1.26 Plural provision is not equally valued in all genres. A majority consider it important in most areas, with news and current affairs the top priorities. Audiences suggest it is less important in religious programmes and for schools. Our latest research suggests people continue to be willing to pay more for existing public service broadcasting to ensure plural provision is maintained. We will carry out further research in phase 2 of this review to analyse audiences' attitudes to this critical issue in more depth.

1.27 The market will provide some more plurality to the BBC in the future. A wide range of commercial, voluntary sector and publicly funded organisations already make a growing contribution to provision of public service content across platforms. Investment by commercial digital channels in original UK content has increased somewhat in recent years. Additionally, in some genres – drama, comedy, some factual programmes – overseas programming has contributed substantially to competition for quality.

1.28 But investment in UK content by digital channels remains very limited compared to the public service broadcasters, and is concentrated in sport, entertainment and to a lesser extent news. Public service broadcasters still account for 90% of investment in

UK content. This is unlikely to change significantly, and in particular is unlikely to fill gaps in genres that are unsustainable on commercially funded public service channels.

1.29 Online public service content is growing in importance. But it does not currently constitute a substitute for public service broadcasting for two reasons. First, its reach and impact is limited by a number of factors: people on average still spend more time watching television than online, people's time online is spent doing many things, within which media is important but only one element, and such is the quantity and diversity of content online that people are less likely to discover public service content there than on television. Second, almost every household has television, whereas at present just over half have broadband, with older people in particular less likely to be online.

1.30 Given this analysis, and in light of our statutory duty to recommend ways to maintain and strengthen the quality of public service broadcasting, our preliminary view is 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.

1.31 The overall level and distribution of funding for public service content are ultimately for government and Parliament to decide. These decisions depend on the extent to which the contribution of other providers is seen as a valuable and worthwhile addition to BBC services.

1.32 If plurality is to continue to play a central role, new sources of funding will be required for providers beyond the BBC. There is a wide range of possible funding sources, most of which are for government and Parliament to consider rather than Ofcom:

i) **Direct public funding:** possible sources of funds include direct taxation; or hypothecated proceeds from spectrum auctions or spectrum charging;

ii) **The licence fee:** options include retaining the excess licence fee funding currently ring-fenced for the Digital Switchover Help Scheme and Digital UK’s market costs, opening up core licence fee funding to other providers, or using BBC assets to support other providers; and

iii) **Regulatory assets:** these could include access to spectrum at below-market prices, revised advertising minutage rules, or public service broadcaster status for additional channels;

iv) **Industry funding:** a wide range of industry levies could be considered, similar to the proposals currently under consideration in France.

1.33 All these possibilities raise important issues which need careful and rigorous consideration. To inform that consideration, we will carry out a more detailed assessment of these options in phase 2 of this review. Any new funding arrangements would need to comply with principles of proportionality, transparency and accountability and ensure that the impact on market competition is limited to what is necessary to deliver public service purposes.

The existing model for public service broadcasting is not well equipped to respond to audiences' evolving requirements

1.34 Adapting to future opportunities and risks to ensure this vision is realised requires **flexibility**: to respond to changes in the way audiences access content and the kind of content they want; to direct funding in ways which address those changing needs; and to exploit the distinctive potential of new platforms to meet public purposes.

1.35 The BBC has this flexibility by virtue of its statutory framework. In its current Charter, its remit is defined in terms of broad purposes rather than specific content requirements. It has the freedom to allocate resources differently between services as audiences' needs change. And it has the ability to launch new services to fulfil its remit, subject to approval by the BBC Trust.

1.36 The current model for delivery of public service broadcasting beyond the BBC does not have similar flexibility. It is limited to a specific set of designated linear television channels. Those channels have detailed content requirements set out in legislation, but in some genres – arts, religion, children's programmes, drama – ultimately individual broadcasters can decide how much they provide. As the implicit funding model for commercial public service programming becomes increasingly unsustainable, it is highly likely that provision will reduce further. But there is no mechanism to fund delivery of public service content by other providers, even if they have stronger incentives or greater ability to do so.

1.37 Consequently, the existing model for public service broadcasting beyond the BBC is capable neither of exploiting the new opportunities that are emerging on interactive platforms, nor of addressing the risks to linear public service broadcasting that lie ahead.

1.38 Some elements of the current model remain attractive and relevant for the future:

- Well-funded institutions whose incentives are aligned with public purposes and support innovation and risk-taking, especially for purposes that are less easy to specify precisely, such as strengthening cultural identity and making us aware of alternative viewpoints;
- Wide availability of and easy access to most public service content giving a large majority of citizens the chance to enjoy it, with some interventions on less widely available platforms to drive take-up and to reach particular audiences; and
- Plural provision across all public purposes in major programme areas, to offer choice, stimulate competition for quality, and enhance reach and impact.

1.39 Within this overall framework, a large number of alternative models could be devised. Any new model should meet a number of tests to ensure that it can effectively and efficiently deliver the vision for public service content:

- Are providers incentivised to deliver public service content that achieves reach and impact?
- Does competition between providers deliver the benefits of plurality?
- Is the model sufficiently flexible to respond to audience and market changes?

- Do providers have clear remits, independence, transparent accountability arrangements and incentives aligned to public purposes?

- Does the model complement, not discourage, market provision?

- Does it embrace the platforms, content forms and services that most effectively meet audience needs?

- Are providers’ funding models sustainable?

1.40 On the assumption that an appropriately funded, independent BBC will continue to be the cornerstone of UK public service broadcasting, two questions stand out:

i) Should some or all of the existing commercially funded public service broadcasters retain special roles in delivery of public purposes in future?

ii) Should further funding be available for provision beyond the BBC?

1.41 Based on these two questions, we have developed four possible illustrative models, which we will evaluate in more detail in phase 2 of our review. In each model we would expect the market to provide some public service content:

- **Model 1 - Evolution**: the current commercial public service broadcasters (PSBs) retain a designated public service role. Either their public service responsibilities are reduced in line with the declining value of their gifted spectrum, or additional support is provided to retain or expand those responsibilities which remain high public priorities but which can no longer be supported through the value of existing gifted spectrum;

- **Model 2 - BBC only**: the commercial PSBs do not retain special designated roles and no additional public funding is provided for public service broadcasting beyond the BBC. The BBC becomes the sole UK-wide intervention in public service content, and may need to take on additional roles to meet needs not served by the market. Limited plurality is provided only to the extent possible through content supplied by fully commercial broadcasters;

- **Model 3 - BBC/C4 plus limited competitive funding:** Channel 4 retains a designated public service role to provide plurality with the BBC but other commercial PSBs lose their public service obligations and benefits. Channel 4’s remit is extended across platforms and into new programming areas, supported by new funding. Any remaining public purposes not served by the BBC and Channel 4 – potentially for example non-BBC programming for the nations and regions – could be delivered through long-term but transferable funding agreements with other providers, awarded competitively through a funding agency; and

- **Model 4 - Broad competitive funding:** the commercial PSBs do not retain special institutional roles. Instead additional funding is made available by government for public service content beyond the BBC. Long-term but transferable contracts for meeting specific public service purposes would be awarded competitively through a funding agency. Those contracts would be open to bids from a wide range of organisations, including the existing PSBs. The BBC would have a core role in areas where the market is unlikely to deliver but where a competitive process would be difficult to specify.

1.42 Delivering a new model will need new legislation, and is a decision for government and Parliament. But given our analysis of emerging opportunities and risks to public service broadcasting, our recommendation is that any new legislation should ideally be in place by 2011, the point at which some current licences may fall into deficit and Channel 4 will face increasing pressure on delivery of its remit. This is also well before the initial expiry date of the current commercial public service broadcasters' licences at the end of 2014.

New approaches will be needed to meet the needs of the UK's nations, regions and localities

1.43 In the long-term the issues facing national, regional and local provision are very similar to those for the rest of public service broadcasting, and the long-term choices represented by the four models described in the previous section are the same here as in other genres. But in the short to medium term there are a number of testing issues which need to be addressed. And the broadcasting landscape and the political needs differ between the UK's nations, so each needs a tailored solution.

1.44 Radio and newspapers continue to contribute strongly to national, regional and local provision. New opportunities for delivery, such as local online services and digital local TV are emerging. However they are not ubiquitous and are not currently seen by the core regional television audience as a substitute for existing services.

1.45 In England it is clear that viewers place the most value in regional programming on regional news and information. However, the cost of producing multiple different editions for a single time slot makes regional news the highest public service cost of the ITV1 licences. ITV plc also believes there is a high opportunity cost which is the difference in profitability between regional news programming and a single network programme in the same slot. Last year it proposed to Ofcom that from 2009 there should a new structure for regional news in England and the Scottish Borders which would merge some regions effectively to reduce the number of regions by two. It also wished to phase out the news programmes produced in what are known as 'sub-regions'.

1.46 After consultations with Ofcom, viewer groups, MPs and other stakeholders ITV plc has now put forward an alternative structure which while still effectively reducing the number of regions would provide most of them with peak-time sub-regional or local 'opt-outs' – news summaries targeted at specific areas which are included within regional news programmes.

1.47 We have launched an extensive research and evaluation programme to assess these proposals, and welcome your initial views prior to a detailed consultation in the autumn. We could respond in a number of ways, for example by:

- refusing any change to current licences;
- allowing ITV plc to reduce its costs by a version of its re-structuring plan;
- considering other options for the sustainability of regional news.

1.48 In the devolved nations, there are important differences in audiences' needs. In Wales the key issue is sustaining democratic plurality, given the increasingly devolved nature of Welsh government. This issue is amplified by the relative absence of competition at national press level, compared with Scotland and Northern Ireland. As a result, the place of the Channel 4/ITV1 service in news and current affairs is crucial in providing an alternative to the BBC. Welsh language broadcasting is particularly important given the large number of Welsh speakers though S4C's funding makes this appear relatively secure.

1.49 In Northern Ireland, UTV appears financially robust through to switchover and plurality is further supported by healthy press and radio sectors and, uniquely in the UK, the widespread availability of media from the Republic of Ireland, which to a greater or lesser extent cover Northern Ireland events. The outstanding questions remain obtaining secure and widespread distribution in Northern Ireland for the Gaelic service TG4 and also for RTÉ, and funding for indigenous language production.

1.50 In Scotland, the costs of the public service obligations on the ITV licensees are likely to exceed the benefits of public service broadcaster status from around 2010. Even if the other licence requirements were removed, the cost of news alone would exceed the benefits of public service broadcaster status. Yet given the devolved nature of government in Scotland, plurality of television news and current affairs is essential. So new solutions may well need to be found before the licences expire in 2014. The ITV licence boundaries, unlike the BBC's, do not match the national border, raising issues for provision of public service content for the Border regions of Scotland. Gaelic services are now increasing, supported by direct intervention from the Scottish government.

1.51 An important issue, in each of the nations and the English regions, is the extent of commissions won and produced locally for network programming. The public service broadcasters are responsible for meeting quotas set by Ofcom (or in the case of the BBC, agreed by Ofcom and the BBC Trust) for production outside London. But quotas do not, of themselves, secure a dispersal of production around different parts of the UK; nor do they necessarily secure portrayal of the different parts of the UK on screen. The latter is an important objective for viewers away from London, and especially in the nations; on ITV1, for example, such portrayal is quite heavily concentrated in soaps and other dramas, and less so in other types of programmes.

1.52 Possible approaches to ensuring these goals are achieved include:

- a focus on out-of-England as well as out-of-London production targets for the BBC and Channel 4, publicly owned institutions whose public purposes are aligned to objectives such as this – both in terms of production and of portrayal. In the BBC's case, this is an issue for the BBC Trust to consider as well as Ofcom;

- revised quotas for ITV1 production outside London, although this would have to be weighed as a priority against needs to protect nations and regions news;

- in both cases combined with positive efforts from the broadcasters, development agencies and local Screen Agencies to develop the national and local production sector;

1.53 In the long run, delivering a satisfactorily broad portrayal of regional and national features throughout the schedule is likely to be dependent on the existence of sustainable production businesses in the nations, and devolved commissioning. We will consider whether this requires further action by Ofcom or other public bodies in phase 2 of the review.

The BBC, Channel 4 and S4C could play a role in enhancing provision for children

1.54 There is no evidence that the market will fill the gaps in children's content provision left by falling investment by the commercial PSBs. No commercial digital channel has established a business case for significant investment in high quality UK programming for older children, and our modelling suggests that such a case is unlikely to emerge. We estimate that annual funding for UK children's programming among the five main PSBs has declined by around £51 million since 2003.

1.55 Each of the four long-term models presents an alternative long term framework for delivering public service content for children. The BBC could take on an enhanced role. Channel 4 has suggested it could take on a new role, especially in providing content for older children. Five or ITV may also play a role. Alternatively, any or all of these providers could provide a core children's service with additional provision secured through competitive funding arrangements.

1.56 There remain, however, a number of outstanding immediate issues for provision of public service content for children.

1.57 In our discussion paper on children's programming, published in October 2007, we identified several proposals made by stakeholders to address these issues in the short term. Most of these are for government to consider. Tax incentives are one possible option, although evidence regarding their effectiveness is unclear.

1.58 ITV1 and Five continue to make a contribution to children's programming. But given the limits to Ofcom's powers to insist on any given level of children's output by commercial public service broadcasters, we believe three additional approaches could be considered. These are:

- Developing the BBC's role in delivering children's content: establishing greater certainty over future investment from the BBC, extending the availability of BBC output for older children beyond 7pm, and extending provision to teenagers. These are issues for the BBC Trust to consider, taking into account the range of competing demands for BBC resources;

- Extending Channel 4's remit to include older children and teenagers. Channel 4 has already announced plans for a substantial investment in content for older children, which will make a significant if partial contribution to the likely deficit in this area. It has indicated a willingness to continue and extend this commitment in future but has said this would require additional ongoing funding support;

- Exploring the role S4C could play in delivering content to all UK children, for example by strengthening incentives for independent producers to reversion content for a UK (and possibly international) audience.

Phase 2 of this review will involve further work on potential long-term models and the short-term issues identified in this report

1.59 We are consulting now on the analysis set out in this report, our vision for the future of public service content and initial options for achieving it. We welcome your views.

1.60 Based on the response to this consultation, and further analysis to be carried out in phase 2 of this review, we intend to publish a further consultation in the autumn including:

- Detailed evaluation of the four possible long-term models for public service content;

- Specific proposals on the short- and medium-term issues identified in this report, particularly with regard to services for the nations and regions, funding for Channel 4, the future roles of the commercial PSBs, options for children's programming, promoting innovation in content and the potential future need for intervention in interactive media.

Consultation Questions

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?

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

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?

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?

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

Section 6. Meeting audience needs in a digital age

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

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

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

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

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?

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

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 that could be more appropriate, and why?

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?

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

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

i) To what extent do you agree with Ofcom's assessment of the likely future long term issues as they apply to the nations, regions and localities of the UK?

ii) Which model(s) do you think will be most appropriate in each of the nations and in the English regions in the long term, and why?

iii) What are your views on short/medium-term issues referred to, including the out-of-London network production quotas?

iv) What are your initial views on the preliminary options set out relating to ITV plc's regional news proposal? (Please note that Ofcom will put forward firm options on these issues, and consult also on ITV plc's regional news proposal, in phase 2 of this Review.)

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?

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?