

PAT LOUGHREY, BBC

Making the case for change

So glad to be here.

Ad lib

- This last week been a difficult one for the BBC.
- But we will only be able to deliver the benefits of a digital UK, if we undergo **radical change**.
- We talk about BBC, but I hope it is relevant to all public service broadcasters.

Ad lib

- It is vital that the BBC becomes more fleet of foot. The media industry is facing unprecedented change
 - Audience adoption of digital technologies has now reached a tipping-point, with digital television and radio in over 60% of UK households.
 - The internet is in 57% of homes; and 40% of them are broadband enabled
 - In the UK sales of Digital Radio sets topped the million mark at the end of 2004 and in 2005 sales of digital sets have outstripped sales of analogue sets of the first time
 - By the end of 2004% of UK adults regularly listened to radio services via digital platforms – DAB, Digital Television (where a staggering 25% of the population has tuned into the digital radio world) and of course via the internet.
- As these technologies converge and become ubiquitous, they will transform the relationship the media have with their audiences.
 - People will access content from a range of sources, on a range of devices, and store it cheaply and easily.
 - They will be able to produce their own content, and use the same distribution systems to share it and interact with others.
- These developments have already had a major impact on the BBC
 - In digital TV households BBC News reaches only two thirds of the audiences in analogue households; our arts programming reach only a quarter of their analogue audience
- At the same time as this new technology is transforming the UK media ecology UK society is undergoing radical structural alterations
 - UK society is becoming increasingly plural and diverse. Research suggests that the monarchy, government and church are less respected and provide fewer shared points of reference, particularly among young people
 - The UK is becoming a mature multicultural nation. Between 1991 and 2001, the ethnic population of the UK grew by 54%, compared with 4% for the total UK population; ethnic minorities now present just under 8% of the overall population
 - The nature of democratic engagement is changing. General election turnout has fallen by over 25% in the last 50 years (from 84% of the electorate in 1950 to 61% in 2005)
 - Young people in particular are turning away from traditional politics and engaging in a range of single issue agendas
 - The UK is now far more cosmopolitan in the last 10 years; the number of British people flying overseas has increased by 73%

- Both these developments in the industry and the shifts in social structures imply that peoples expectation of the media in general and, the BBC in particular, will rapidly change
- The BBC must be able to adapt with speed to refocus resources where the licence payer will best reap the benefits for them as new demands and new technologies arise.
- Value for money must remain a key objective for the BBC. We have a responsibility to keep the financial burden on all licence payers as low as possible.
- The changes proposed can transform the BBC into a simpler, smaller organisation that's agile and flexible in:
 - Commissioning
 - Production, and
 - Professional services

TV is based on a SCARCITY model – now obsolete.

No scarcity of resources or of air time

Without affecting the excellence of the BBC's output or by placing unreasonable demands on remaining staff.

- Let me give you an example. In my part of the BBC we've invested substantially in the training of video journalists – As Nigel Kaye will explain.
 - This has not only quintupled the number of cameras (No camera based in Liverpool
 - It ahs also spelled an end to demarcation and served as a catalyst for creative innovation – no more cost system
 - It has encouraged a move away from "air-conditioned" journalism to a more active, investigative style
 - It has also encouraged some journalists to experiment with longer form documentary making – a development welcomed by both audience and the journalists themselves

A world where the BBC needs partners

- There's another key lesson the BBC must learn.
- The BBC must realise that we can't do everything ourselves. (e.g. BBC driving test)
- We can no longer best serve our audiences by remaining aloof and independent from like-minded people and organisations across the UK
- From Freeview to UKTV to *Comic Relief* to GCSE *Bitesize*, many of the BBC's greatest successes in recent years have been based on teamwork and joint ventures with outside partners.
- The results can be spectacular. BBC *Children in Need*, a network of charity partnerships, has raised £325m to date.
- Cultural partnerships like *Painting the Weather* with the National Gallery
- In my own patch of the BBC we have a number of vital partnerships with, for example, the Arts Councils, Community Service Volunteers and Local Education Authorities to provide courses, to get involved in communities and to work with as wide a range of people as possible
- These achievements show how much more the BBC can contribute when it faces outwards rather than inwards.
- We no longer want to leave the creation of such relationships to chance, but will put the idea of partnership at the centre of the BBC's strategy and ensure that every part of the organisation understands what it takes to become a good partner.

Future Vision

- These changes to the BBC can all be done – indeed they must be done. But none of this is easy. As I said at the beginning – this has been a difficult week for us.
- However, the BBC has no choice but to change. Unless it adapts, and seeks to understand the needs of its audiences, we will lose our relevance and with it our entire *raison d'etre*.
- It's our job not just to change ourselves but to convince our governments and our society's key opinion formers that this change is inevitable. Governments sometimes need help to grasp the scale of the digital revolution
- The discussion that we have over the renewal of the BBC's Charter in 2006 has proved an opportune moment to make our case for change. Through a public debate we have outlined our view of this changing environment and given a clear blueprint of the sort of BBC we feel the UK public will want and need in the next 10 years.
- Central to this vision are three clear roles that we have identified for ourselves:
 - A BBC that allows everyone in the UK has equal access to digital services
Ad-lib 80 / 20 rule
 - A BBC that will transform the relationship between audience and broadcaster
Ad-lib Not just receiving but creating
 - A BBC that will connect audiences with each other locally, nationally and globally
- While staying true to the BBC's core principles and purpose. But we do so in a world where the audience is more in control of how, when and where they access the content they value.
- So, for instance, we will commit to supporting a fully digital Britain – where the BBC would play an active role in creating the architecture necessary to achieve full digital roll-out.
- We would launch a 7 day catch-up service for BBC Television services which would allow our audiences to watch any programme that they missed or wished to see again, at any time in the 7 days since it was broadcast
- Or there's the "Creative Archive" where the BBC would make thousands of TV and radio extracts available and provide the tools and tuition to enable the public to create, re-mix, personalise and share media clips for entertainment, school or work.
- But out of all the ideas the BBC has put forward, the one that's perhaps closest to my heart is ... **Out of London**.
- I believe this is fundamental to the BBC's mission to transform itself to better serve its audiences.
- Many people see the BBC as a bastion of the metropolitan sneer. A distant, disapproving Auntie whose perspective was limited to London

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London Calling

Weather forecast – moving north.

- They were not always wrong in holding this view. The BBC has been a very London-centric organisation in our decision-making and commissioning and this has led to lop-

sided approval – strong in the South of England but getting increasingly weak the further away from London one travels

- When we embarked on our strategy to get even more of the BBC's activity out of London we decided to focus a lot of energy on a vibrant broadcasting hub in Manchester:
 - The economic strength and creative vibrancy of the North West
 - Only we could call 6,5 million people a "region"
 - Approval levels low
 - Investment levels low
 - To build alongside ITV's success in the city – now diminishing
 - To have critical mass

- We want to show long-term commitment too, by moving services central to the BBC's future
 - Children's TV services
 - BBC Sport
 - Radio Five Live
 - Learning
 - New Media Operation and Research & Development

- Our proposals will move around £275m worth of decision-making power and £225m production out of London.

- More importantly it will allow the BBC to change its culture. To foster new ways of working that will provide far more creative opportunities for staff and real benefits for our audiences across the UK

- However, success in Manchester alone is a failure

- Must spread benefits across the whole of the North of England (e.g. independent production)

- Important to continue to expand the network production bases in the Nations. Network programme production outside London has increased by 84% in the past seven years. However, the BBC Television networks still only commissions around 13% of its output from Scotland, Wales and Northern Ireland

- The Nations are home to 17% of the UK's population – we have set the target of producing 17% of network output from Belfast, Cardiff and Glasgow.

- We also must maintain the strength of the English Regional Production Centres in Bristol and Birmingham, who are home to a range of outstanding programmes.

Local Television

- As I said earlier, the UK is becoming a more diverse and fragmented society, with people increasingly feeling the need for involvement in their local community.

- At the same time, digital technologies are opening up new ways for the BBC to involve and serve licence payers locally.

- At the forefront of this thinking are our plans to create a highly local television news service

- We will make television news as local as local radio, with around 60 areas across the UK being offered locally produced news and information throughout the day and on demand.

- User-generated content will play a vital role, allowing voices from the community a platform for creativity and citizenship.

- Partnerships will also be critical, to ensure a plurality and a richness of content and to spread the economic and creative benefits of the new services as far as possible.

- Now it's vital that we think about the market when we put these proposals forward. That's why all of our major new services proposals will be subject to a test of their public value.
- Includes market impact assessment.
- We must be sensitive to the way we behave and make sure we bring something distinctive and different to audiences.
- If that involves change that is painful for us, it must be worth it to make sure we keep delivering valuable services for everyone.

In conclusion

- A digital Britain opens up exciting opportunities for broadcasters who want to satisfy the pent-up demand for a sense of community
- TV not as voyeurs at times of sadness or triumph but a part of everyday life
- However to best achieve this the BBC must adapt, evolve and reinvent itself – guided by its core principles – in order to reap the opportunities that the digital age promises
- Charter Review has provided a timely focus for the BBC. There is no point in defending an institution for the sake of the institution itself. **The BBC should only exist and be defended for the services that it provides its audiences**
- That is the process we are now going through. It is tough and it is painful
- However, I am convinced the need for the BBC has never been greater. **We must transform ourselves to be able to meet the need.**
- Thank you.