

BBC Trust

**Draft Distribution Framework for
BBC Services and Content**

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A. Introduction

1. The BBC can only fulfil its public purposes if it has in place adequate arrangements for making its services widely available to audiences. The BBC Agreement requires the BBC to do all that is reasonably practicable to ensure that audiences are able to access the UK Public Services that are intended for them, or elements of their content, in a range of convenient and cost effective ways. The cost of maintaining the necessary arrangements for distributing content is significant - some £217m, or 6% of the licence fee, in 2013-14.
2. In contrast with the provisions for oversight of BBC services, the specific requirements set out in the Charter and Agreement concerning distribution do not set many rules or guiding principles for the BBC to follow to ensure that the best interests of licence fee payers are met. With the transition from analogue to digital broadcasting, the advent of internet protocol (IP) services and new mobile technology as important means of content distribution, the BBC's arrangements are increasingly complex.
3. When the Trust approved the BBC's on-demand plans in 2007 it put in place a syndication policy to give guidance to the BBC on how and where it should make its on-demand content available. This policy was reviewed and updated in 2012. The intervening years have seen considerable change; the emergence of new technologies, services, functionalities and consumer behaviours, the increasing sophistication of the third-party environments into which BBC content and services are syndicated, and an increasing blurring between broadcast and IP delivered environments. In recognition of the pace of developments in this area, the Trust committed to reviewing this policy again in 2015.
4. In this timeframe the BBC's approach to syndication has proved successful, with widespread availability of BBC iPlayer¹, extensive consumption of BBC on-demand content, and effective compliance with the Trust's principles. So while there is scope for refinement, the Trust does not consider a radical change of approach to syndication of audio-visual content necessary.
5. The key change that the Trust is making in introducing this framework is bringing together in one place the Trust's requirements relating both to linear and on-demand content. This framework therefore supersedes the Trust's syndication policy for on-demand content. It sets out for the BBC the principles and requirements that the Trust considers it necessary for the BBC to follow in order to maximise the value secured from its content and services and to fulfil its duty to ensure that audiences are able to access the UK public services in a range of convenient and cost effective ways and deliver the benefits of emerging communications technologies and services (the BBC's sixth public purpose).

B. Scope

6. This Framework applies to distribution arrangements in the UK for all of the BBC's UK public service activities. It covers the distribution of TV, Radio and Online services (including BBC iPlayer and Red Button services) to any device used to access them

¹ For example, by the beginning of 2015, BBC iPlayer was available on over 1000 connected devices, and had been installed by users on over 30 million smartphones and tablets.

including TVs, radios, personal and tablet computers, games platforms, set top boxes, and mobile phones². The framework also applies to distribution of relevant World Service services in the UK³. Distribution outside the UK and distribution of commercial services are not covered by this framework⁴.

7. The Framework applies to all means of distribution including digital terrestrial (DTT), cable and satellite services for TV, all analogue, DAB, DTT, cable and satellite services for radio plus all IP and mobile distribution arrangements for all types of content.

C. The Trust's distribution principles

8. The Trust's primary aim is to ensure that all households across all parts of the UK have access to each BBC service on at least one platform. Such access should be consistent with all of the audience-facing requirements defined in section D of this document.
9. When considering which third party platforms and devices to make its content available on the Trust requires the BBC to comply with all relevant legal and regulatory requirements, including state aid law and the BBC editorial guidelines and fair trading policy. In particular, it should ensure that it acts in a fair, reasonable and non-discriminatory basis when entering into such arrangements.

Universal access, free at the point of use

10. In fulfilling its duty to ensure that audiences are able to access the BBC's UK public services that are intended for them, the BBC seeks to achieve universal access to its services. As the BBC does not have its own broadcast infrastructure, it is dependent on the UK's broadcast, IP and mobile infrastructures for the delivery of its services.
11. The Trust considers the high level definition of the principle of universality that the BBC adopted in 2010 to remain valid: *"Every household in the country should have access to each BBC Service on at least one platform free at the point of use"*.
12. BBC services targeted at particular geographic areas (particular Nations or regions for example) should be universally available in the relevant location and, subject to value for money and spectrum considerations, more widely available across the UK.
13. Recognising the extent of choice that already exists in the ways in which services can be accessed and continuing growth in the range of alternatives available, the Trust expects the BBC to ensure that a sufficiently broad range of options is pursued to preserve the principle of universal access.
14. In particular the Trust expects the BBC to maintain attractive, free to air access options to BBC content through both DTT and DSAT, keeping open its options for universal delivery of services in HD, making provision for any future reduction in access to DTT spectrum⁵, and continuing to innovate to ensure that all audiences benefit from these broadcast platforms.

² Whether through apps, third-party services or BBC Online

³ The Framework excludes World Service content not primarily aimed at a UK audience

⁴ These activities are covered by the World Service Operating Licence and the Trust's Commercial Framework

⁵ The future of the spectrum currently used to deliver DTT beyond 2018 is the subject of international harmonisation discussions, the outcome of which is not yet known.

15. In the case of broadcast infrastructure (DTT, cable, satellite, analogue radio and DAB) the extent of coverage is known⁶. The Trust acknowledges that 100% coverage could never be cost-effectively achieved. For television the Trust considers that combined DTT and DSAT coverage of 99.5% of UK households (98.5% for DTT) is an appropriate level for coverage to be deemed universal. For radio the Trust considers combined DAB and analogue coverage of 99.5% of UK households (97% for BBC National DAB services by 2017) is an appropriate level for coverage to be deemed universal⁷. While there are small coverage variations by region and Nation of the UK, and these thresholds may not be achievable in every geographic area, the BBC must make all reasonable efforts consistent with value for money to ensure wide availability of both TV and radio in all parts of the UK.
16. In the case of IP infrastructure, fixed and mobile internet services are now widely available and represent an alternative, more flexible, means of access to audio and video content. However, it is harder to define what universality means in respect of IP access as such access is dependent not only on the coverage and speed of the broadband and mobile networks, and uptake of such internet subscriptions⁸, but on ensuring compatibility with a wide and constantly changing range of software and devices. At present, access to content through IP represents a small proportion of overall access and while it is growing, estimates (based on current audience behaviour) suggest that IP is unlikely to deliver more than 20% of all video viewing by 2020. While the Trust expects the BBC to make its services available in ways which keep pace with audience expectations, it recognises that it is impractical to expect the BBC to make its content available on every platform and device.
17. The Trust requires the BBC to pursue an effective hybrid strategy in line with the terms set out in the relevant service licences, recognising that the majority of its content will continue to be distributed through broadcast infrastructures for the foreseeable future, but that IP delivery will grow in importance and will be of particular importance to younger audiences.
18. The BBC's overall approach should always be guided by the principle that arrangements should aim to serve licence fee payers by enabling convenient access to the full range of BBC content and services that are targeted at them. The BBC should also seek to extend access to those platforms and devices through which audiences would expect to access other public information and services, subject to being able to agree terms which are consistent with the requirements set out in section D of this Framework.
19. Consistent with the universal access principle and the BBC's digital purpose, the Trust also expects the Executive to innovate in its interactive services and encourage people to get online, to find and use its new services, including through links between linear and interactive services.

⁶ In the case of DAB, planned coverage.

⁷ In the event that a switch-off of national analogue radio services were to be confirmed the Trust would wish to agree appropriate levels of coverage of all Digital radio services, taking into account IP, DTT and DSAT as complimentary methods through which digital radio can be received.

⁸ The BBC's commitments with regard to universal access to IP delivered services relate to making BBC content available on connected platforms, and do not relate to the provision or subsidy of internet connections or subscriptions.

Value for money

20. In exercising its stewardship of public money, the Trust expects the BBC to ensure that its distribution activity represents value for money and that it is able to demonstrate that the value delivered to licence fee payers outweighs the cost.
21. While the Trust considers that there is generally public value in making BBC content available on as many platforms and devices as possible, it recognises that making this content available on *every* platform and device would not represent the best use of licence fee funds given the rapid pace of technological development. Any decisions to withhold or withdraw content from certain platforms or devices will, however, require a clear and strong justification and be based on published criteria (see 'Openness and Transparency' section below).
22. In IP environments, to maximise access to BBC content in the most cost-effective way, the BBC should develop standard syndication products in most cases which can be deployed across a wide range of platforms and devices with minimal incremental cost. However, the Trust recognises there may be exceptional circumstances – such as where it is not technically practicable or economically feasible to adopt a standard product – which necessitate a different approach. In such cases, the BBC should not be precluded from developing non-standard implementations of products provided the audience value outweighs the incremental cost of developing and maintaining such products. Both standard and non-standard implementations will need to comply on an ongoing basis with the requirements of Section D of this document and the BBC should ensure that it acts in a fair, reasonable and non-discriminatory basis when developing and syndicating such products.
23. To assess whether value for money is being delivered, the Executive Board must ensure that the BBC periodically reviews its expenditure on broadcast and online distribution against commercial benchmarks, and that the results from such benchmarking should be reported to the Trust.
24. Where the BBC makes its services available for distribution on third party platforms it should agree terms in line with the principles of this Framework. The BBC currently does not charge platforms for access to content or services. This should not prevent the BBC from recovering costs directly associated with making specific arrangements which extend access but which would not necessarily be value for money or required to secure universal access if delivered free of charge.

Openness and Transparency

25. The Trust requires that the BBC should make its approach to decision-making and prioritisation of platform and device compatibility with its services transparent for the benefit of audiences and others in the market.
26. To ensure a fair, open and transparent approach in its distribution activity and in its dealings with third parties, as part of the BBC's published guidelines the Trust requires the BBC to publish the criteria under which it will consider and reach decisions on which third party platforms and devices to make its content available on, along with its criteria for deciding whether or when any existing legacy arrangements should be discontinued.
27. Under this principle, the Trust also requires the BBC to pay particular attention to the desirability of actively supporting and using national and international open standards (that is to say, technologies where opportunities to participate in their creation and to

use them are made widely available, free of charge or on terms that must be fair, reasonable and non-discriminatory).

Content and services should be easy to find

28. In line with audience needs and expectations, the prominence of BBC services must be sufficient to ensure that BBC content is quickly and easily discoverable.

Direct relationship with audiences

29. As audiences increasingly expect to be able to personalise services to suit their needs, the Trust considers it important that the BBC is able to retain a direct relationship with audiences through its IP distribution activity to ensure that the full public value of BBC content and services is being delivered.

Control over content distributed through third parties

30. Where the BBC makes content available through third parties it must ensure that it retains sufficient rights and controls in respect of editorial matters, access to audience data, attribution and the ability to innovate and update its services as the need arises. The BBC must also ensure that it has adequate rights and controls to ensure it can adhere to its own legal and compliance requirements.

D. The Trust's requirements for specific distribution arrangements

31. The Executive Board must ensure that its distribution activities are in line with the following audience-facing requirements set by the Trust:

- BBC public service content and services must be available free of advertising and sponsorship, and free of charge. Where, in addition to 'free to air' access, the BBC makes its content available on platforms where a subscription is payable, the BBC services must be available on the most basic and lowest cost subscription tier.
- For both broadcast and IP-delivered services, audiences must have convenient and timely access to the full range of BBC public service content, products and services which are relevant to the platform or device they are using. For example, the Trust would expect that any TV platform to which the BBC syndicates its on-demand content would provide due prominence and attribution to BBC broadcast content.
- BBC content and services should have due prominence so audiences can easily find and discover BBC content and services through means such as the Electronic Programme Guide (EPG), home page, search tools and other means which encourage access to, and consumption of, BBC content.
- Audiences must be able to identify content and services easily as having originated from the BBC and see a clear distinction between BBC content and services and other content and services on third party platforms and devices.
- Audiences must experience a content offer that is subject to appropriate editorial control by the BBC, either as BBC channels or in other ways which allow the BBC to guide them to further content that they may not naturally be drawn to but which they may find informative and enjoyable.

- BBC content must only be made available in appropriate places and contexts.
- Audiences must receive a high quality experience in terms of ease of use, picture and audio quality and reliability.
- Audiences must have access to such parental controls and accessibility features that are appropriate for the platform and content such as subtitles and audio description, and where possible those related to the menu and user interface.

32. In addition to these audience-facing requirements, the Trust acknowledges that the following factors are also relevant when considering any particular distribution arrangement:

- Adequate scope for the BBC to introduce timely technical improvements and innovations as audience expectations evolve and technology progresses, consistent with the principles and requirements of this Framework and where such improvements and innovations have the potential to deliver clear public value.
- The need to make accurate and timely audience and user data available to the BBC (e.g. device-level data on consumption of BBC on-demand content).
- Where appropriate, adequate scope for the BBC to maintain a direct relationship with audiences through identification functionality, where audiences elect to allow the BBC access to their personal data.
- The need for the BBC to promptly remove or block content for legal, editorial or compliance reasons.
- The BBC should not syndicate to platforms that offer functionality that expose the BBC to liability arising from any functionality that operates on the margins of existing copyright exemptions.

33. The Trust additionally requires the BBC to make relevant metadata available to third party partners as part of a distribution arrangement, in order to facilitate the discovery of BBC content, and in a manner consistent with the requirements set out in this section.

34. The Trust recognises that some existing legacy arrangements may represent the best that could be achieved for audiences at the particular time they were put in place, but may not comply fully with the current Framework and guidelines. The interests of audiences should be of paramount importance in such circumstances. Where there are opportunities to update or improve the offer to audiences, for example by replacing legacy arrangements with a more up to date standard syndication product, the BBC should agree plans for transitional arrangements with the third party to ensure audience interests are protected and public value is delivered.

E. Arrangements for overseeing the BBC's distribution activities

35. The Executive Board is responsible for setting the strategy for distribution activities. Any strategy must meet the principles and requirements set out in this framework.

36. The Executive Board must develop and adopt guidelines covering its distribution of audio-visual content to third party platforms and devices that reflect and conform to the principles and requirements set out in this Framework. The interpretation and application of the specific requirements set out in Section D will take account of the type of platform,

distribution method and type of content in question (for example, the BBC's requirements for appropriate editorial control are likely to be different for an on-demand programme on a TV platform compared to a short audio clip on an open publishing platform). The Executive should make these distinctions in interpretation and application clear in the guidelines.

37. The guidelines, to be referred to as the BBC's distribution guidelines, are subject to approval by the Trust and must be published by the Executive once approved. Where third parties are unable to fulfil the conditions of these guidelines, the Executive may elect to withhold or withdraw relevant BBC services.
38. The Executive Board should report on a quarterly basis to the Trust on the compliance and performance of its distribution activities. The Executive should also publish (to the extent possible having regard to commercial sensitivities), in the BBC Annual Report each year, a breakdown of its total expenditure on distribution activities and the proportion of overall BBC expenditure that distribution expenditure represents.
39. Distribution activities are deemed to be public service activities described in the Agreement as 'Non-Service Activities' and are subject to the regulatory arrangements put in place by the Trust covering such activity⁹.
40. The Trust will undertake a periodic review of the distribution activities of the BBC. The review will consider compliance with and performance against this framework, value for money and the efficient use of radio spectrum.

⁹ Section C, BBC Protocol C1 Covering UK Public Services and Non-Service Activities