

# Digital Switchover Programme

## MGDS (06) 3

### Ministerial Group on Digital Switchover Meeting

#### Quarterly Progress Highlights Report

October 2005 – January 2006

To	Alun Michael (Minister of State for Industry and the Regions) James Purnell (Minister for Creative Industries and Tourism)
Copied to	Members of the Ministerial Group on Digital Switchover
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#### 1. Overview

Since the last meeting on 13 October 2005 significant progress has been made on the digital switchover programme. All stakeholders have contributed to the Select Committee review, the programme management structure has been finalised, an Office of Government Commerce review conducted, and the nine programme workstreams mobilised. The public communications activity commenced in Border and the fourth quarter of 2005 saw a record level of digital conversions with 800k set-top boxes and iDTVs sold in December alone (a 24% year-on-year increase) (Source: GfK).

#### 2. Select Committee

Between the months of November and January the Culture, Media and Sport Select Committee reviewed submissions on the UK analogue switch-off and heard evidence from a range of different stakeholders including experts/analysts, consumer groups, supply chains, broadcasters, platforms, transmission service providers, Ofcom, Digital UK and DCMS/DTI.

Initial high media coverage focussed on negative comments from first 'expert' session but later media coverage significantly reduced as more balanced position communicated.

The Select Committee report is expected at the end of February.

### 3. Programme Management

The Digital Switchover 'Programme Structure' has been finalised and published on the Digital UK and Government Digital Television websites

Following the October Ministerial Group Meeting, the programme structure and representation has been reviewed with wide range of stakeholders including the Digital Television Group (DTG). See note accompanying the Programme Structure document for further detail.

The Programme Co-ordinator and Government and Ofcom Project Managers have been appointed.

Programme mobilisation was reviewed by the Office of Government Commerce (OGC) who found that the programme was appropriately structured and resourced 'for a successful outcome'.

A range of proposals to enhance programme management were made by the OGC and reviewed by the Programme Group. Subsequent to these proposals, it was agreed to increase direct Ministerial involvement by having DCMS and DTI Ministers attend Programme Management Meetings on an 8 weekly basis – in addition to Quarterly Ministerial Group Meetings (i.e. attend a total of 10 review sessions per annum).

### 4. Workstream Progress Report

#### Workstream 1 - Communications

- The Border region Public Communications campaign commenced in November 2005 via press, radio and posters; and with the benefit of simultaneous campaigns from Sky [see Appendix for further detail of the Border campaign, including examples of the advertising].
- The combined impact saw high awareness of digital switchover advertising (61%) and consideration of digital when buying TV equipment (74%) and relatively high awareness of campaign line ('get set for digital' – 46%).
- The regional media was positive/neutral versus negative on a 5:1 basis.
- Next stage is addition of TV advertising and leaflets to all households in Border and start of Regional campaigns in West Country and Wales in May 2006.
- There will be an initial National campaign in May 2006, followed by a more heavyweight National campaign at Christmas 2006 and the start of the Granada Regional Campaign.
- Communications materials are being reviewed with key Stakeholders including representatives of Consumer Groups and vulnerable consumers.
- Digital UK advertising and media agencies appointed.

### Workstream 2 – Consumer and Market Research

- Ofcom's Q3 data reported in December states 68.5% of all households now have access to multi-channel TV with a greater rate of growth predicted for Q4.
- Digital UK and Ofcom have agreed to jointly track consumer awareness, understanding, attitudes and conversion on a monthly basis, starting in March 2006.
- As preparation, Digital UK has run 3 monthly surveys to gain an early insight into how the public view digital switchover. The headlines are that National awareness is relatively high at 60% with understanding lower at 37% and intention to convert in next 12 months at 26% for non-adopters. Older consumers, 60-74, are as likely as other consumers to be aware and understand switchover. This reduces significantly for consumers 75+. (see accompanying paper on Consumer Metrics for further details).
- At this early stage the public are relatively unconcerned about digital switchover. This may change as switchover becomes more imminent and they fully understand the implications.
- Assessment of International Switchover programmes (see accompanying paper) indicate that the Italy and US programmes are likely to be delayed but Germany, Netherlands and Nordic Countries likely to complete before UK switchover begins at end of 2008.

### Workstream 3 – Consumer Liaison

- Consumer Expert Group now established, representing wide range of consumers as well as consumers with special needs established. Meets on a 6 weekly basis – every 12 weeks under Ministerial Chair, inputting across full range of programme workstreams, including communications, digital equipment and targeted help.
- Digital UK hiring Regional Co-ordinator and Regional Manager for Border to manage activities on the ground. Will now proceed to establish Border Advisory Council.
- Regional Working Party established with Ofcom Consumer Panel to set up a pilot pf mobilising the voluntary sector at a local level, and help the vulnerable and socially isolated who fall outside the Targeted Help Scheme.

#### Workstream 4 – Transmission Network

- Broadcast transmitter rollout plans complete.
- Transmission providers produced reference offers for new digital network by 31 December 2005 deadline.
- Digital 3&4 has appointed its transmission provider as Arqiva, with the BBC appointment imminent.
- Transmitter specifications are being drafted for the first 3 transmitters (Selkirk and Caldbeck in Border, and Wenvoe in Wales) – and order are expected to be placed during January.

#### Workstream 5 – Housing & Property

- Major work stream requires accelerated development.
- Work now underway to assess Social Housing and Public Sector readiness, initially in Border region.
- Topics for further investigation include: protecting vulnerable groups throughout public/private MDU's, hospitals and care homes; tracking progress of private MDU's; and communicating with all tenants re legal rights and requirements.
- Current issues include: delivery of public estates; requirement for funding support; and availability of sufficient skilled installers.

#### Workstream 6 – Digital Equipment

- Digital logo issues resolved and revised scheme now underway under Digital UK management. Key focus in 2006 to increase retail/consumer visibility.
- Supply and demand model being built to forecast the level of equipment required in each region. An initial national view suggests that digital conversion will require a doubling of digital box sales and a trebling of iDTV sales (replacing analogue sets) over the next 7 years.
- DTI leading the Registered Digital Installers (RDI) scheme for aerial installer accreditation, and assessment of digital equipment usability (by Ricability).

### Workstream 7 – Targeted Help

- Bolton targeted help trial – led by DCMS – well advanced. Initial results appear positive, and the report is due at the end of February.
- Workshop session to review next steps of communication, administration and implementation to be held in February.
- Working assumption that DCMS will provide further level of detail of targeted help scheme to public by end of March 2006 (post BBC White Paper).

### Workstream 8 – Ofcom Regulatory

- Input for Regional Radiocommunications Conference 2006 complete and bilateral negotiations proceeding.
- Ofcom Cost and Energy Report published.
- Digital Dividend process (not part of Programme but related to it) underway.
- Process for agreeing public service broadcasters' communications obligations underway.

### Workstream 9 – Government Regulatory & Statutory

- Work on BBC Charter ongoing.

## APPENDIX

### Launch of Public Information Campaign in Border

Week commencing 21 November 2005

#### **PRESS**

- Campaign in Border press w/c November 21 for three weeks:
  1. Full page/page dominant Q&A ad featuring Digit Al
  2. “Look for the logo” appeared on letters pages
  3. In the two weeks before Christmas, “Dear Digit Al” appeared on letters pages in Border press based Q&As generated from our meetings in the Border region. In the future these are planned to be real readers’ questions

#### **POSTERS**

- 6-sheet advertising near electrical retailers
- Bus-side advertising on urban routes

#### **RADIO**

- Heavyweight campaign on Radio Borders and CFM
- 40s “Old to New”, featuring Matt Lucas

**SKY**

- Press, radio and DM advertising in Border region started November
- Direct Mail sent to all 96,000 Border households
- Offer of 1,000 free subscriptions and 1,000 half-price for a year

**WEBSITE**

- Border specific pages launched

## **RETAILER**

- 70 TV retailers identified in Border region:
  - Merchandising packs distributed pre-Christmas to coincide with regional advertising campaign
  - Packs contained:
    1. 500 leaflets + leaflet holder
    2. 2 window stickers
    3. Tent card
    4. Posters
    5. Staff information card
- Plus outline of our marketing plans