

Digital Switchover Programme: Progress Highlights Report

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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Programme Name	Digital Switchover Programme
Government Senior Responsible Owners	Andrew Ramsay (DCMS Director General, Economic Impact) David Hendon (DTI Director, Business Relations)
Programme Manager	Programme Office, Digital UK
Programme Status	In start-up

1. Programme Progress Overview

The Programme has made considerable progress since the last Ministerial Group meeting with the Government announcement and simultaneous launch of Digital UK's campaign:

- In a speech to the Royal Television Society on 15 September Tessa Jowell (Secretary of State for Culture, Media and Sport) announced¹:
 - that digital switchover will happen between 2008 and 2012, in the following regional order:
 - Starting in 2008 – Border
 - Starting in 2009 – West Country, Wales, Granada
 - Starting in 2010 – West, Grampian, Scottish
 - Starting in 2011 – Central, Yorkshire, Anglia
 - Starting in 2012 – Meridian, London, Tyne Tees, Ulster
 - that the Government will provide targeted support to those who most need it: households where someone is aged 75 or over; and households with people with severe disabilities (defined as those people eligible for either Disability Living Allowance or Attendance Allowance).
- Government confirmed that the assistance will consist of providing the necessary equipment to convert one TV set and the relevant support to install and use such equipment. The support will be free for the poorest eligible households, those on Income Support, Job Seekers' Allowance or Pension Credit. But there will be a modest fee for others. Additional support to those who are registered blind was also proposed. Full details will be available after the completion of the Bolton trial and the publication of the BBC Charter White Paper.

¹ A copy of the full text of the speech can be found at:
http://www.culture.gov.uk/global/press_notices/archive_2005/tessa_jowell_rts_speech.htm

- The Minister also confirmed the Government's preference for a market-based approach to making the released spectrum available following switch-over:

“We made it clear in our response to the Cave review that the Government favours the use of market mechanisms to allocate spectrum. The market is best placed to decide who should use the spectrum and how.

Our policy since Cave has been to favour technology-neutral auctions when considering mechanisms for assigning spectrum. This gives as much flexibility as possible to the market to decide on services, technologies and providers.

Of course, in approaching and designing any spectrum auction, Ofcom will need to consider all the issues including: the optimal use of the spectrum; the likely effect on competition; and the particular needs of all potential users of the spectrum – including, of course, broadcasters.”
- On 16 September the Department for Culture Media and Sport (DCMS) and the Department for Trade and Industry (DTI) published a Regulatory and Environmental Impact Assessment setting out the overall impact of completing digital switchover between 2008 and 2012 on consumers and businesses. Views on the impacts described are invited to ensure that the implementation programme takes account of all the wider effects².
- Also on 16 September, Digital UK (formerly known as SwitchCo) launched its consumer information campaign. Press ads were run in all the national daily newspapers, and in local newspapers in the Border region, as well as in the electrical and media trade press. All communications materials were shared with stakeholders prior to their publication. Digital UK conducted media interviews in national and local press and radio on the 15 and 16 September, and Digital UK's website and call centre went live on 15 September.
- A BMRB survey conducted on behalf of Digital UK showed that the Government announcement and accompanying Digital UK launch generated growth in awareness of switchover from ~50% to ~65% of the population.

2. Market Developments

- On 15 September 2005, Ofcom reported that digital TV penetration was estimated to have reached 15.7m UK households (63%) by 30 June 2005, up 1.1% on the previous quarter. This total breaks down into:
 - 7.4m households who have subscription digital satellite
 - 5.2m households estimated to have free-to-view digital terrestrial
 - 2.6m households who have subscription digital cable
 - 0.5m households estimated to have free-to-view digital satellite
- In addition to these digital viewers, a further 0.7m households are subscribers to analogue cable. This brings the total number of households receiving some form of multi-channel television to 16.4m (just over 65.8%) by 30 June 2005.

3. Organisational Update

- The newly established Switchover Steering Group, consisting of representatives from Digital UK, DCMS, DTI and Ofcom, met for the first time on 2 September.
- At that meeting, the high-level structure for the Digital Switchover Programme was agreed. This will consist of the Ministerial Group on Digital Switchover, which will have oversight of the Programme; the Switchover Steering Group, which has

² A copy of the assessment can be found at: http://www.digitaltelevision.gov.uk/consultations/con_ria_timingods.html

responsibility for monitoring progress of the Programme; and a series of cross-organisational, functional workstreams which will involve all relevant stakeholders and conduct the necessary work to achieve switchover.

- The nine workstreams are as follows: Communications; Consumer and Market Research; Consumer Liaison; Transmission Network; Housing and Property; Supply Chain Logistics; Targeted Assistance; Ofcom Regulatory; and Government Regulatory and Statutory.
- The workstreams will be co-ordinated by Digital UK's Programme Office, which in turn will report progress to the Switchover Steering Group and develop these progress highlight reports for the Ministerial Group on Digital Switchover.
- The current Programme Structure document is included with the papers for this Ministerial Group on Digital Switchover meeting on 13 October.
- At the second meeting on 14 October the Switchover Steering Group will progress the implementation of this programme structure, and will discuss the process for informing stakeholders of the structure and how they will be able to participate in the programme.

4. Workstream Progress Report

Achievements from the past month and next steps for the coming month are detailed for each of the functional workstreams, as well the for the programme management itself.

0. Programme Management

Leader: Digital UK

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| Achievements | <ul style="list-style-type: none">- Programme Structure of 'functional' workstreams developed- Digital UK Programme Office set up- Programme management processes developed |
| Next Steps | <ul style="list-style-type: none">- Publish Programme Structure document- Communicate Programme Structure to stakeholders- Digital UK to hire programme co-ordinator- Implement programme management processes |

1. Communications

Workstream Leader: Digital UK

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| Achievements | <ul style="list-style-type: none">- Launch of Digital UK, including press campaign and opening of Digital UK website and call centre |
| Next Steps | <ul style="list-style-type: none">- Develop Christmas press and radio campaign for Border region- Develop TV ads for Border (for airing in February 2006)- Begin process for appointing advertising agency- Initiate next iteration of call centre and website for launch by February 2006 |

2. Consumer and Market Research

Workstream Leader: Digital UK

- Achievements
 - Temporary consumer tracker used to measure impact of launch
 - Working with Ofcom to draft brief for permanent consumer metrics tracker to monitor progress of the programme
- Next Steps
 - Identify agency to develop consumer metrics to track awareness, understanding, attitudes, intentions, take-up and satisfaction
 - Develop metric targets

3. Consumer Liaison

Workstream Leader: Digital UK

- Achievements
 - Met with consumer groups to discuss launch plans
 - Provision of a freephone 0800 telephone number to the call centre for those addressed by the targeted assistance scheme
- Next Steps
 - Agree schedule of 6 meetings per year for consumer groups to meet with Digital UK and DCMS (first on 26 October)
 - Return to the Border region before the end of 2005 to continue to explore ways to work with consumer and voluntary organisations

4. Transmission Network

Workstream Leader: Digital UK

- Achievements
 - Continuing development of implementation plan
 - Finalisation and announcement of rollout timetable
- Next Steps
 - Input to final Regional Radiocommunications Conference submissions
 - Further development of implementation plan
 - Broadcaster negotiations with transmission suppliers

5. Housing and Property

Workstream Leader: Digital UK

- Achievements
 - Guide to switchover distributed to housing professionals
 - Digital UK presence at Sky Homes roadshows to explain switchover to housing associations
- Next Steps
 - Work with platform providers and local authorities to explore ways to deliver digital television to social housing

6. Supply Chain Logistics

Workstream Leader: Digital UK

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| Achievements | <ul style="list-style-type: none">- 2,300 retail outlets signed up to digital certification mark scheme- Digital UK and DTI agreement for Digital UK to manage the digital certification mark scheme- Meetings with major national retailers and local independent retailers, and presence at RETRA conference- Regular communications group meetings for retailers and manufacturers established |
| Next Steps | <ul style="list-style-type: none">- Sign agreement for administration of digital certification mark licensing- Renew digital certification mark licences already issued- Progress registered digital installers scheme- Identify usability issues and agree plan to address |

7. Targeted Assistance

Workstream Leader: Department for Culture, Media and Sport

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| Achievements | <ul style="list-style-type: none">- Minister's announcement of the Targeted Assistance scheme- Letters delivered to all households in the Hulton Ward, Bolton, for the Targeted Assistance trial |
| Next Steps | <ul style="list-style-type: none">- Deliver follow-up letters to those in the Hulton ward who have responded and identified themselves as eligible |

8. Ofcom Regulatory

Workstream Leader: Ofcom

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| Achievements | <ul style="list-style-type: none">- Ofcom Project Manager hired- Bilateral negotiations with neighbouring countries to achieve mutually acceptable spectrum usage to support the all-digital future have continued with a good measure of success- The UK's submission to the ITU Regional Radiocommunications Conference process has been agreed by the International Broadcasting Planning Group and the UKSSC- Research into household energy & equipments costs for non-voluntary conversion completed- Publication of quarterly digital take up figures |
| Next Steps | <ul style="list-style-type: none">- Individual Ofcom workstreams being formally brought together under Ofcom switchover programme of activities. Three primary areas are: spectrum planning & management; licensing & regulation; market research & intelligence- Formal submissions to the ITU will be made at the end of October. Amendments to this submission, reflecting further bilateral agreements, can be made in January 2006. Final changes can be submitted at the conference in May 2006.- Continue development of digital switchover frequency plan taking government timetable and international negotiations into account- Discussions in progress between Ofcom & Digital UK on joint commissioning of more detailed socio-demographic research |

- Costs & energy research due for imminent publication

9. Government Regulatory and Statutory

Workstream Leader: Government

- Achievements
- Publication of the Regulatory and Environmental Impact Assessment on the timing of digital switchover

- Next Steps
- Ongoing work towards the BBC Charter White Paper