[GB] BBC Closes Down Online Education Service after Complaints of Unfair Competition

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Tony Prosser
University of Bristol Law School

One of the BBC's six public purposes is to promote education and learning, and this is a core part of the Corporation's public service remit. Under its Charter, a decision on how the BBC delivers this purpose must be based on the interests of the public after considering the effects on the market. BBC Jam was an online service for 5 to 16-year-olds of all abilities, reflecting the UK school curricula. The service had been approved by the minister in January 2003; it also required state aid approval from the European Commission and this was granted in October 2003. Approval of the service included extensive conditions to prevent unfair competition with private providers of similar services. The first elements in the service were made available in January 2006, with a continuing roll-out up to September 2008, covering a portfolio of 136 subject areas; the service had about 170,000 users. The total budget was GBP 150 million, and 50% of content was to be commissioned from independent producers. One of the conditions required a review of the service by the BBC Trust, including a market impact assessment, to be carried out during 2007.

Complaints were made by the private sector that the service had not complied with the conditions of its consent and was harming the interests of commercial software publishers; these complaints were made both to the Government and to the European Commission. After extensive discussion with the Government and the Commission (which requested a separate review in advance of that scheduled for later in 2007), the BBC Trust announced that it was suspending the service from 20 March 2007. Rather than conducting the proposed review in 2007 it was proposed that the BBC management prepare fresh proposals on how the BBC is to meet its public purpose of promoting formal education in the context of school age children. This will be subject to the test for new BBC services, or significant changes to existing ones, of creating maximum public value whilst minimising negative market impact. The test process will include public consultation, a market assessment by the Office of Communications, and fresh state aid approval by the European Commission. The BBC has now confirmed the closure of BBC Jam with a net loss of 31 jobs. Proposals for a new online education service will be submitted by the BBC management to the Trust in Summer 2007.

BBC Trust, "BBC Trust Suspends BBC Jam", Press Release of 14 March 2007

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http://www.bbc.co.uk/bbctrust/news/press_releases/14_03_2007.html

BBC, "Post Closures Follow Closure of BBC Jam", Press Release of 14 May 2007

http://www.bbc.co.uk/pressoffice/pressreleases/stories/2007/05_may/14/jam.shtml

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