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OFFICE OF COMMUNICATIONS

Knowledge Centre

Cable Authority

ANNUAL
REPORT
and
ACCOUNTS
1987 -88

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British Cable: Key Facts	31 March 1988	31 March 1987
Number of franchises awarded	23	22
Number of franchises operating	10	8
Homes to be passed by franchises awarded	2,365,000	2,297,000
Homes so far passed	307,453	168,436
Homes connected to franchises	44,565	21,873
Average franchise penetration rate	14.5%	13.0%
Average subscription paid per month	£17.86	£18.50
Licences for upgrade/SMATV systems	119	73
Homes passed by all UK cable	1,372,856	1,189,655
Homes connected to all UK cable	256,527	193,173
Average penetration rate	18.7%	16.2%
Proportion of viewing of cable channels	39%	30%

Cable Authority

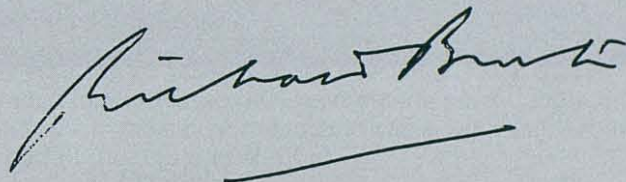
The Rt Hon Douglas Hurd CBE MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON SW1H 9AT

11 July 1988

Dear Secretary of State

I have pleasure in sending to you, in accordance with section 21 of the Cable and Broadcasting Act 1984, the third Annual Report of the Cable Authority, together with the statement of accounts, covering the period from April 1987 to March 1988.

Yours sincerely



Richard Burton



*Mr Richard Burton addressing the first
Cable Convention in November 1987.*

MEMBERS OF THE AUTHORITY

Chairman
MR RICHARD H BURTON

Deputy Chairman
PROFESSOR JAMES RING CBE

MRS ANNE BALLARD

MR PHILIP DARWIN

MR PAUL JOHNSON

MRS ELIZABETH MACDONALD-BROWN

MR PETER S. PAINE CBE DFC

Chairman's Foreword

The prospects for securing the installation of cable in a major way are stronger than ever before. So far in 1988, the Authority has been able, in the light of interest firmly expressed, to advertise seven areas as cable franchises of a size not previously contemplated as a practical possibility. Those areas alone cover more than 1.5 million homes and there is reason to believe that yet further major areas may be advertised quite soon.

Most of the current interest is based on North American investment. It comes from groups who know and understand cable better than do investors in the United Kingdom, who are still slow to recognise and seize the opportunities. Clearly, however, the restrictions on foreign control of cable operations continue to be an inhibition on North American investment. I hope that the interest currently expressed will survive the application of those restrictions. The Authority regards them as unnecessary and anomalous; their removal is as important as ever. I trust that time for legislation will be found soon to deal with this subject as well as other matters; uncertainty and delay has already harmed the development of the cable industry.

As the prospects for cable grow stronger, so the risk grows of its character being traduced by those who fear it. We have already experienced several television programmes which have created a false impression of what multichannel choice means. In the debate about programme standards there is frequent misinformed comment to the effect that cable and the satellite delivered channels that it carries should be the principal target for attention.

The powers and activities of the proposed Broadcasting Standards Council have yet to emerge clearly but I hope that the existence of the Council will help to lay to rest the misplaced and mischievous fiction about the nature of cable and satellite programmes.

As interest in multichannel services continues to grow there will be wider recognition of the fact that cable is the most cost-efficient and least bothersome way of getting them into the home. There will also be wider recognition of the telecommunication services available to cable subscribers, the first of whom are already enjoying an alternative telephone service. Cable is about a great deal more than just increased television entertainment and I am optimistic that the interactive capabilities of broadband cable will establish the medium as an essential part of the future of all of us.

Chairman's Foreword

THE AUTHORITY'S SENIOR STAFF

Jon Davey
Director General



Tony Currie
Chris Quinlan
Edward Mercer

Controller of Programmes (from January 1987)
Controller of Advertising
Secretary to the Authority

(Keith Miles, who had been Director of Finance and Operations, left the Authority in March 1988).

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A series of A
Cable TV
The first of the 24-hour TV

1

Review of the Year

A year of policy ferment

This year has seen increasing recognition of the convergence of broadcasting and telecommunications and of cable's critical place in that convergence. Indeed, it has been a year of fundamental rethinking about how the future should be moulded. A new revolution is in train.

Nevertheless, most of the focus has still been on the future role of broadcasting as a medium in itself. Even though the liberalisation of the cable regime in 1983-84 had been seen as revolutionary, the approach had been to permit market freedom in cable as supplementary to an unchanged system of public service broadcasting. The changes now being contemplated accept in a way that was not the case in 1983-84 that multi-channel choice in television, responsive more directly to the demands of viewers in market conditions, is a desirable and healthy objective.

The Cable Authority welcomes this new atmosphere. It establishes cable – already the microcosm of the new order – in a more central place in the development of broadcasting. It will help to raise public awareness of the opportunities that are opening up, to give them greater credibility and to encourage take-up of the new services. At present, cable operators face resistance to what is still a new and not well understood service.

Expanding broadcasting possibilities

The Authority's welcome for the new attitude to television choice recognises that the opportunities may not be confined to cable. Other services may compete with cable or at least meet some demands in a way that in the short term could reduce the incentive to connect to cable systems.

There is nothing new about satellite television, satellites being the most common means of distributing programmes to cable systems. But satellite television services direct to the home will be new, although they have been in prospect for some time. Indeed, satellite broadcasting had been planned even before any thought was given to liberalising the rules relating to cable. It is still likely to be some time before such services come to fruition, let alone establish themselves in the marketplace.

During this year, consideration has been given to the feasibility of a fifth terrestrial television channel. There has even been discussion of the prospects for a sixth. More significantly in the context of choice, a study has been initiated of multi-channel microwave distribution (MVDS), a technology that could bring a range of new television channels to viewers rather more cheaply than constructing a cable system would allow.

These alternative technologies all have limitations compared with cable. None of them bypasses frequency constraints as cable does or offers the number of channels that cable can carry. Satellite television cannot provide local services. And while local services could be provided by microwave television, they would be on only a one-way basis with no interactivity.

Cable and advanced communications

Most significantly, cable is the only technology which effectively straddles both broadcasting and telecommunications. It needs to be regarded not merely as a medium for delivering more television but as a move towards

the advanced broadband communications of the future and as a significant contributor to the promotion of competition in telecommunications.

Here too, as well as in broadcasting, the Government has placed the issues in the melting pot. In April 1987, the Secretary of State for Trade and Industry initiated a review of the future communications infrastructure, which was set up in the wake of the recommendation of the Peacock Committee that policies should be changed to encourage British Telecom to install a national electronic grid rather than look to independent cable operators to secure that multichannel television was widely available.

The year was therefore one of considerable political uncertainty. At the end of the year none of the reviews and studies referred to had been concluded. Doubts about the future undoubtedly had some effect on the development of cable.

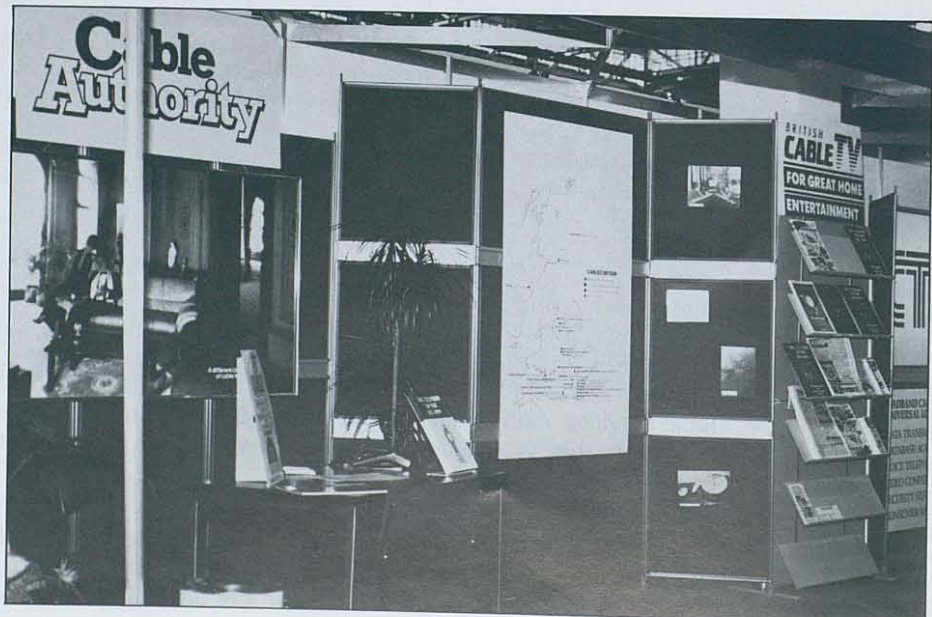
Other changes were mooted which could affect the Authority. The reorganisation and opening up of the framework for independent radio has been proposed, with the Authority being canvassed initially as an existing body which could appropriately be given the supervisory role. It was later agreed that a new Radio Authority should be set up. The Government also proposed the establishment of a Broadcasting Standards Council, which inevitably poses questions – not yet answered – about how the Council's responsibilities will inter-relate with the specific regulatory powers and duties given to the Authority by statute.

Progress in cabling

On a more practical level, the year has been characterised by consolidation of the first phase of cable development rather than a great deal of new activity. A continuing lack of finance for cable investment was the major reason for this, just as it was for the slow development recorded in last year's report.

During the year only two franchised operators – East London Telecommunications in Tower Hamlets and British Cable Services in Guildford – switched on new systems, to add to the eight already operational. None of the other ten franchises awarded by the Authority was able to move to the stage of receiving a licence to commence operations. This was a disappointment to the Authority as well as to those who made considerable but unsuccessful efforts to raise finance.

The second half of the year held out some promise of this situation being eased. Although there was still little sign of substantial finance coming from the British investment community, growing interest in the United Kingdom market by North American investors looked likely to result in considerably more new cable being put in the ground over the next two or three years than might have been expected. This interest was reflected in the first franchise application that the Authority had received – and granted – which contained a commitment to full financing.



For the first time, the Authority took a stand at one of the cable and satellite exhibitions.

Interest in new cable franchises grew during the year to the point where the Authority, after a gap of eighteen months in the franchising programme, was able to advertise four new franchises and to make preparations for others on a greater scale and size than hitherto. This is naturally encouraging, but the Authority will be looking for more solid progress in developing franchises to the operational stage and for continuing interest in new franchises before feeling confident that the past delays are at an end.

CABLE AND THE SATELLITE DIMENSION

Satellite broadcasting is on its way. What does it mean for cable?

Such questions are increasingly put to the Authority. This Report gives the opportunity for a public answer.

Cable already relies heavily on satellites. Satellites offer the ideal means – at least for the time being – of wholesale distribution of television channels over long distances to cable operators. Cable systems then offer the ideal retail distribution direct to viewers.

The most popular satellite television channel in Europe is Sky Channel. It is seen in 12 million homes. All those homes get Sky Channel from their local cable system.

But satellites with higher power transmitters are expected to be launched, making it easier for viewers to receive their programmes direct. Will these satellites replace cable?

Cable will remain the supreme retail medium. It will satisfy a need by taking the trouble out of satellite television. But not only will it offer a hassle-free cost-effective way of receiving a fuller range of satellite television programmes, it will offer other services in addition – and a great deal more as time goes on.

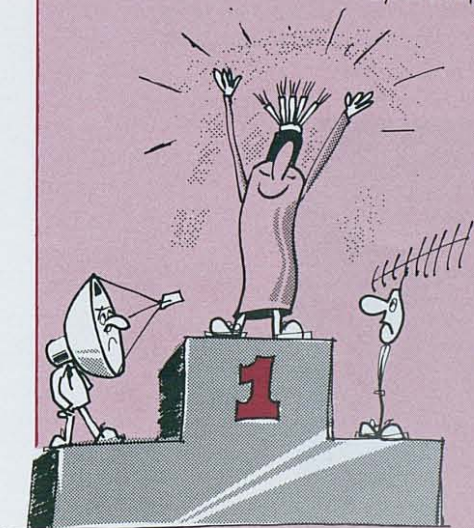
Connecting to a cable system is simple, and cheap: a cable operator will do all that is necessary. More importantly, perhaps, the cable operator shoulders all the problems of receiving satellite signals at his headquarters site: of obtaining planning permission, siting satellite dishes where they can see all the satellites in different positions in the sky and making sure that they stay firmly anchored when the gales blow; of installing the relevant equipment for each depending on the frequency band of the transmissions and their polarisation; of coping with different transmission standards (at present PAL and SECAM and in the future DMAC and D2MAC as well); of obtaining the decoders necessary for scrambled channels; and of course of quickly restoring a proper service when the equipment develops faults.

The viewer is relieved of the invidious choice of which satellite system is likely to offer the most attractive range of programmes: broadband cable is likely to offer virtually everything. And the fact that it does so as by far the cheaper medium of delivering multi-channel television to the home was demonstrated by the report on Subscription Television commissioned by the Home Office and published by Her Majesty's Stationery Office in 1987.

Cable operators look forward to new satellite television services as providing yet more choice with which they can attract more viewers to connect to their systems. Cable and satellite are in no sense rivals. Cable operators need programmes to offer, which satellites provide. Satellite programmers need viewers, which cable systems provide. Moreover, cable systems relieve satellite programmers of the burden of servicing, and collecting subscriptions from, individual viewers.

For cable, satellite television is just the start. Cable also provides a range of local information services and television programmes of a more local and specialised appeal than can be available from satellites. And it is beginning to provide a range of interactive and telecommunication services (home shopping, home banking, security, warden call systems, local education services, alternative telephone services etc) which will assume growing significance in the future.

The capabilities of broadband cable assure its increasing importance to broadening choice in television viewing and generating advanced communications.



*With acknowledgements
to Mission Cable, Paris.*

Expansion of programming

On the programming front, the changes during the year were in the direction of enhancing the choice available on cable. A loss was the expected closure of Star Channel following its merger with Premiere, to reduce the number of cable film channels from five to four. A new pop music channel – MTV Europe – and the availability to UK cable systems of Cable News Network meant that operators in many areas increased the range of television on offer to their customers. There were also developments to provide choice in radio listening, with the start of Cable 1 and steps towards the wider availability of the BBC World Service and the launch of Radio Nova International.

The response provided reassurance to those who assumed that, as with other new media developments in the past, initial consumer caution would be steadily overcome. Not only did the number of cable viewers rise steadily – approaching one million by the end of the year – but so did both penetration rates and cable's share of viewing. A continuing increase in all these indices of progress is confidently predicted.

The perception that cable was at last making progress led to signs that it was being taken more seriously as a competitor by established broadcasters. Unfortunately, this resulted in television programmes which were false and misleading, and which could have discredited cable amongst those who were not already better informed. The Authority was obliged during the year to complain to the BBC about unfair publicity of this kind.

Cable develops beyond entertainment

Although cable is not yet able to enjoy full market freedom in telecommunications, it became notably easier during the year to point to cable's role in this field as well as in multi-channel television choice. Alternative telephone services provided by cable operators became a reality, first by Cable Camden Ltd and then by Windsor Television Ltd, in both cases in association with Mercury Communications. The ability of cable operators to exploit the liberalised regulatory regime in this way has always been regarded by the Authority as an under-rated incentive for cable, and the Authority was pleased to see such services being pioneered.

A great deal of effort and interest was devoted to the development of other new services. Westminster Cable exploited its British Telecom switched star system not only to provide new text-based interactive services (including the ordering of goods and payment for them by credit card through the system) and to introduce at the end of the year access to Prestel services but also to provide on a trial basis remote access to a library of interactive videodiscs. A range of other services was in the developmental phase elsewhere.

The situation for cable looked more positive at the end of the year than it had at the beginning. The infant industry has had to struggle into existence and more struggles will be necessary to see the industry firmly established and ultimately successful. This will require imagination, determination and hard work from the entrepreneurs, managers and staff of the companies founding what is a totally new business. The Authority is confident that the abilities exist and that the benefits of cable will become increasingly apparent, and accepted, as time goes by.



Youngsters from Cypress Junior Middle School perform in front of the cameras for Croydon Cable's local channel, Crystal Vision.

2

The Work of the Authority

Demand-led franchising

The first part of the year, like the whole of the previous year, saw no new franchising activity by the Authority. The Authority's policy in considering new franchises has been to be demand-led and it therefore believes it to be wrong to advertise new franchise areas before there is any indication that credible applications are likely to be forthcoming.

For a lengthy period interest in new franchises was at a low level. Moreover, the Authority had to take account of the failure of some successful applicants for past franchises to raise the finance they needed to build their system. It therefore seemed wrong to undertake franchising activity the only result of which would be to add to the queues of aspiring operators at the doors of merchant banks and investment institutions. The Authority looked with caution at those expressions of interest which reached it.

During the second part of the year, the Authority was persuaded that some new franchises should be advertised, and it naturally welcomed the new climate that made this possible. It invited applications for the Royal Borough of Kensington and Chelsea, for North Solihull, for Andover, for East Lancashire (Blackburn, Burnley, Accrington, Nelson, Colne and the Rossendale Valley) and for Birmingham and Solihull.

These areas demonstrate the Authority's open-minded approach to the size of franchise areas. They include the smallest cable franchise so far contemplated, for Andover. Although a town of only about 11,500 homes, Andover would not obviously fall to be treated as part of any larger franchise covering nearby towns, and the Authority was responsive to the suggestion made to it that it should be dealt with as a franchise in its own right.

THE AUTHORITY'S ROLE

The Authority came into existence on 1 December 1984 as a result of the Cable and Broadcasting Act 1984. The Authority is charged by Parliament with

- granting franchises for the installation and operation of large-scale broadband cable systems
- licensing the provision of cable programme services in addition on older systems (upgrades) and new smaller systems (SMATV)
- licensing the provision of television for public showing
- drawing up codes on programme standards, advertising practice and sponsorship
- exercising oversight of cable programmes to make sure that the rules are kept
- exercising its licensing functions in the way that best promotes cable services, especially those on the new generation of broadband systems.

Second largest franchise in Europe

At the other end of the scale, the Authority spent some time considering Birmingham, an area far larger than any previous franchise. It was persuaded that Birmingham is a unit and that it would be wrong to split it into separate franchises. Moreover, there was a case for treating Birmingham and Solihull as one franchise, and the Authority decided to give applicants the option of combining the two areas in one application, even though the result would be a franchise of about 450,000 homes. This overtook the Authority's earlier decision, responding to a suggestion made to it, that North Solihull – an area of about 22,000 homes – should be advertised as a separate franchise. The sole applicant decided to withdraw the application with a view to examining instead the larger area.

In short, therefore, the Authority is prepared to consider any proposals put to it for new franchise areas. It would expect however that franchise areas should be coherent in the sense both of not attempting to link distant places that have little relationship and of not excluding any districts that ought naturally to be part of the franchise.

Two of the franchises were resolved around the end of the year. After considering very carefully the merits of the application by Cable London plc for the Kensington and Chelsea franchise, the Authority concluded that the franchise should be awarded instead to the other applicant, City Centre Cable Ltd. There was the application which offered the better prospect of cable services being provided in the Borough within a short time.

Only one application was received for the Andover franchise, from Andover Cablevision Ltd. The Authority announced at the beginning of April that the application had been approved.

Licensing of other kinds

The Authority dealt with a steady stream of SMATV applications during the year. These caused few problems, except where the proposed system was within an area already designated as a franchise. The Authority's normal practice is to refuse a SMATV licence within a franchise area. However, the desirability of not denying cable services to viewers unnecessarily led the Authority to reconsider this practice in areas where the franchisee had made little progress in implementing the franchise and appeared unlikely to be in a position to provide services in the foreseeable future. A total of 46 licences were granted during the year.

The Cable Television Association's first national convention took place in November 1987 and was oversubscribed.



The licensing of restricted services (typically large screen television for public showing) continued to be a problematical area because of legal confusion concerning in particular the interaction between telecommunications licensing and the licensing of cable programme services. The Authority discussed with the Government Departments concerned ways of overcoming the difficulties.

Telephone entertainment services raised some similar problems, and also sat awkwardly across the definition of what requires a licence. Some services of this kind were licensed by the Authority. Others – such as the Talkabout service which created much controversy – lay outside the Authority's control.

THE CABLE FRANCHISING PROGRAMME

Deadline for applications	Area	Size (Homes Passed)	Franchise decision	Switched on
31 August 1983. Applications invited by the Government for any areas of the applicants' own choice. Eleven franchises selected from 37 applications.	Swindon	75,000	29 November 1983	September 1984
	Aberdeen	91,000		May 1985
	Coventry	119,000		September 1985
	Croydon	114,000		September 1985
	Northwest Glasgow and Clydebank	112,000		October 1985
	Westminster	73,000		October 1985
	Windsor, Slough, Maidenhead etc.	99,000		December 1985
	Ealing	100,000		November 1986
	Guildford (now combined with Aldershot etc)	22,000		July 1987
	Belfast	136,000		–
30 April 1985	South Liverpool	125,000	–	
	Bolton	135,000	–	
	Cheltenham and Gloucester	90,000	–	
	Newham and Tower Hamlets	127,000	13 August 1985	April 1987
	Wandsworth	100,000	–	(see Guildford above)
30 September 1985	Aldershot, Farnham, Fleet, Camberley, Woking etc	115,000	–	
	Cardiff	103,000	5 February 1986	Jan 1987 (pilot only)
	Camden	70,000		–
	Edinburgh	183,000		–
	Preston, Chorley and Leyland	114,000		–
Southampton and Eastleigh	97,000	–		
30 April 1986			12 September 1986	
	Luton, Dunstable and Leighton Buzzard	97,000	10 July 1986	November 1986 (old system)
31 October 1987	Kensington and Chelsea	68,000	4 February 1988	–
27 November 1987	North Solihull	22,000	withdrawn	–
15 December 1987	Andover	12,000	7 April 1988	–
18 January 1988	Blackburn, Accrington, Burnley, Nelson, Colne, Rossendale Valley	168,000	9 May 1988	–
6 June 1988	Birmingham and/or Solihull	466,000	–	–
18 July 1988	Southend-on-sea, Basildon, Brentwood, Chelmsford etc.	221,000	–	–
20 July 1988	Medway Towns, Gravesend, Maidstone and Sittingbourne.	145,000	–	–
25 July 1988	Hammersmith and Fulham, Brent and Barnet.	280,000	–	–
27 July 1988	Bristol, Bath, Weston-Super-Mare etc.	300,000	–	–
8 August 1988	Redbridge, Bexley, Barking and Dagenham.	229,000	–	–
10 August 1988	Reading, Bracknell, Basingstoke, Newbury etc.	215,000	–	–
3 October 1988	Northampton	72,000	–	–

CODE ON VIOLENCE IN CABLE PROGRAMMES

This Code is issued by the Cable Authority in accordance with the requirements of section 11 of the Cable and Broadcasting Act 1984. Although it deals mainly with violence shown in television services, all references below should be taken to include, as appropriate, sound radio.

The Authority recognises that it is sometimes necessary to portray violence on the screen, but believes that the makers, buyers and schedulers of programmes have a duty to do so responsibly.

Although it has not been possible to demonstrate a direct causal connection between violence on television and violence in society, neither has the absence of any link been capable of proof. It is generally accepted that in the circumstances it is right to exercise caution, recognising the risks that television violence

- may in some cases be imitated
- may be responsible for desensitising its audience
- may lead people to regard violence as acceptable
- may be psychologically harmful to some viewers

There can therefore never be any defence of the gratuitous use of violence, and the fact that its use may be to some virtuous end does not lessen in any way the associated risks.

1. IMITATION

Television is one of the most powerful and effective methods of teaching. All violence which is capable of imitation therefore requires very careful consideration. Details of the methods employed in, for example, hangings (or preparations leading up to them), suicides, murders and ingenious methods of inflicting injury or pain should be avoided.

2. THE CUMULATIVE EFFECT OF VIOLENCE

People seldom view just one programme or only one channel. The scheduler and ultimately the cable operator have a duty to ensure that the service does not give violence an undue prominence. An acceptable level of violence in one programme may be part of an intolerable amount over a period.

3. 'CONVENTIONAL' VIOLENCE

Some violence (such as that in a Western) is less likely to shock viewers because it is distanced from them in both era and experience. The offence caused by violence will therefore be related to the viewer's ability to identify with the situation, and will decline as the programme departs from reality. Thus, violence presented in a cartoon may be accepted which, if duplicated in a real situation, would cause great distress. Although this 'conventional' violence may therefore be generally less shocking, it is no less potentially dangerous.

4. 'SANITISED' VIOLENCE

Violence presented in such a way that its effects are ignored or understated cannot be assumed to be harmless, and may be just as dangerous to society as showing its true consequences.

5. PSYCHOLOGICALLY HARMFUL VIOLENCE

Some kinds of violence may have a greater potential to disturb or influence the more susceptible members of the audience. The inclusion in programmes at any time of sexual violence, the association of violence with pleasure or violence connected with the supernatural needs particular scrutiny.

The regulation of programmes and advertising

General concern about the possible link between violence in the media and violence in society grew during the year following the horrific shootings in Hungerford, although there was no special media link in that case. The Authority's Code on Violence – reproduced in this report – had already been adopted and seemed properly and sufficiently to cover the ways in which cable programmers should exercise care in the portrayal of violence.

The Authority made further progress in drawing up Codes and guidelines for cable programmes. During the year the Authority published its Code on Appeals for Donations and Publicity for Charities and its Guidelines on Direct Response Advertising, having in both cases taken the proposals to the Advertising Advisory Committee, set up by law to advise both the Authority and the IBA.

The Authority had naturally given priority to the most important codes which it is required to draw up. They covered in particular areas where the legislators deliberately imposed a different regime for cable from that applying to broadcasting, permitting for example sponsored programmes. Having completed that task, the Authority turned its attention during the year to establishing its own rules in areas where it had initially thought it appropriate to apply the rules drawn up by the IBA for independent television.

Work was therefore undertaken on a Cable Authority Code of Advertising Practice and on cable programme guidelines. The intention is that in many cases the rules should be identical to those of the IBA. But it is important that the rules should be freshly approached from a cable perspective, taking account of the frequently different legal provisions which govern cable and the distinct nature of the medium. This work was not quite completed during the year.

The work of the Authority also embraces the interpretation of the rules and the practical application of regulation. The Authority is frequently consulted by cable programmers about new advertisements, proposals for programme sponsorship and the acceptability of programmes or elements of programmes, such as music videos.

The Authority's regulation is applied with a light touch. This means that

6. LANGUAGE

Coarse or threatening language is a form of violence which warrants equal treatment with acts of physical violence.

7. CONTEXT: FAMILY VIEWING AND CHILDREN

This Code cannot provide black-and-white rules on what is, or is not, acceptable on cable; the issues are complex and call for decisions to be made having regard to the context in which the violence is to be presented. In particular it should be noted that

- although cable is not broadcasting, cable services are seen by the family in the home and cannot be judged by the standards of the cinema, which admits a controlled audience.
- parents are entitled to make assumptions about the suitability and character of a programme or channel. Violence which may be acceptable in "The Sweeney" may not be acceptable in "Star Trek", and it is reasonable to assume that The Children's Channel will be judged by different standards to The Arts Channel.
- the time at which the programme is to be seen will always be relevant. The Act requires that special attention is given to the showing of programmes at times when large numbers of children and young people are likely to be watching. Special care needs to be taken, therefore, not only in the early part of the evening, but also at weekends and during holiday periods.

8. LABELLING

A programme should be accurately described in programme guides and press announcements, with a clear indication, if necessary, that

it contains scenes of violence. Since not all viewers will take the trouble to inform themselves before viewing programmes, consideration needs to be given to the inclusion of advisory announcements before the programme begins which, if used, should give a proper indication of the nature of the programme's content. Such announcements, however, will not in themselves provide a justification for the inclusion of violence which would otherwise be unacceptable.

9. PROGRAMME TRAILERS

Special care needs to be taken in the selection and timing of trailers. A trailer promoting a programme which (because of its content) is likely to be scheduled late in the evening should in itself be acceptable for the time of day at which it is shown. In spite of this, it is important that the trailer does not give a misleading impression of the nature of the programme. There is a clear distinction between legitimate promotion and titillation.

10. NEWS

All programmes need to be judged by the same standards. News producers should therefore be aware of their general obligations under this Code. In particular, it needs to be remembered that violent scenes can never be justified in news coverage just because film is available. Close-ups of dead bodies or grief-stricken victims of violence or natural disasters need to be presented responsibly.

Cable programmers carry the responsibility for their own decisions. In this sensitive area the rule should always be 'if in doubt, cut'.

the Authority does not employ a large staff to maintain constant watch on the enormous amount of cable programming transmitted every day – far more in fact than the broadcasting authorities are responsible for. More satellite channels originate in the United Kingdom – accepting the Authority's rule – than in any other European country. The onus is placed on cable programmers to ensure that they keep within the rules laid down by the Authority. They receive some help. In the field of advertising copy control, for example, the Authority provides training seminars for the staff of cable and satellite programmers, along with a reference manual for their use.

The cable and satellite industry has consistently taken a responsible attitude towards programme standards. This is partly at least because of the direct relationship between operators and programme providers on one hand and viewers on the other. The viewer is a purchaser of cable programmes and needs to be persuaded to continue buying the services on offer. To offend or antagonise the viewer runs the risk of losing customers.

One way of avoiding offence is by the proper labelling of programmes. Cable and satellite programmers have pioneered the giving of guidance to viewers about the nature of what they might watch. The programme guides attach warning symbols to films in particular so that viewers can avoid material which will annoy or upset them.

It also has to be emphasised that being regulated in the United Kingdom is not the end of the story. Now that satellites make television an international medium, programmers need to be sensitive also to the requirements of other receiving countries. The nature of their services may therefore reflect the rules of a number of countries.

Complaints

The Cable and Broadcasting Act 1984 requires the Authority to give information in its Annual Report about the complaints it receives concerning programme standards. The Authority received no such complaints during the year.

However, the Authority is not purely reactive. It devotes resources to

monitoring specific programmes or problem areas and to random sampling so that the Authority can both keep in touch with the nature of services being provided on cable and assure itself that its codes and guidelines are generally being adhered to. Monitoring sometimes exposes problems or mistakes by programmers in relation to the rules, which the Authority considers it right to take up with those responsible. In this way awareness of the Authority's role and requirements is reinforced.

The evolution of policy

The rethinking of policy issues referred to earlier in this report has necessitated the Authority itself considering a number of issues and making an input to those undertaking the reviews concerned. The Authority has submitted comments on the Government's Green Paper on radio, on the study of subscription television, on the Discussion Paper on the future communications infrastructure and on the study of the future of broadcasting being undertaken

CODE OF PRACTICE ON PROGRAMME SPONSORSHIP

1. TYPES OF SPONSORSHIP

A programme is deemed to be sponsored if any part of its costs of production or transmission is met by an organisation or company other than a Cable Operator or recognised Programme Provider. For convenience, operators and providers are referred to in this code as programmers.

Sponsored programmes may involve one or more of the following:

- (i) coverage of all or part of a sponsored event;
- (ii) supply to a programme maker of goods or services at less than wholesale cost;
- (iii) funding, in part or in total, of the costs of a programme's production or transmission.

These three broad categories of sponsorship are dealt with below in Sections 2-4.

2. COVERAGE OF A SPONSORED EVENT

- (i) Where (a) an event will take place regardless of whether it is covered in a cable programme, and (b) the full cost of coverage is met by the programmer, the programme is not deemed to be sponsored and the provisions of this Code do not apply. Other Authority Codes must still be observed (see Section 5 (i)).
- (ii) In all other cases, Section 4 (below) shall apply.

3. THE SUPPLY OF GOODS OR SERVICES

- (i) Programme makers who accept goods or services from suppliers at less than wholesale cost may give an acknowledgement in sound or text at the beginning or end of the programme, which may include a brand name and a brief advertising copyline in support of the product.

No undue prominence should be given in the programme to goods supplied in this way.

- (ii) Prizes in game shows
In addition to (i) (above), a second acknowledgement to the supplier may be given once during the programme. This acknowledgement may include a brand name but not a copyline.
- (iii) Programmers may accept informational services at reduced or no charge in return for a screen acknowledgement to the information provider, which should appear in a proper proportion to the information displayed.

4. FUNDING BY SPONSORS

Sponsors may provide funding to programmers in two ways:

- (a) In a way that gives the sponsor no editorial involvement whatsoever (for example, by contributing to the costs of the acquisition of a previously-made programme, or by contributing to the costs of production of a cable programme where total editorial control rests with the programmer). This type of sponsorship is referred to below as **underwriting**.
- (b) In a way that gives the sponsor editorial involvement, permitting him to exercise an influence over a programme's content or selection. This type of sponsorship is referred to below as **commissioning** (the ultimate form of commissioning would be where the sponsor provided a programme which he had made himself).

In either case, it is the programmer who is ultimately responsible for ensuring that the programme's content complies with the Authority's Codes.

(i) Underwriting

A sponsor who underwrites part or all of the cost of a cable programme must receive a credit immediately before or after the programme which may contain a short copyline.

(ii) Commissioning

A sponsor who commissions a cable programme must be credited in sound and vision immediately before and after the programme. Such a credit

- a) may contain a short copyline;
- b) **must** use the word 'sponsored' in vision "produced by/for" "made by/for" "sponsored by" or **must** incorporate the sponsor's name in the programme title
- c) **must** detail for the viewer any of the sponsor's (or his associates') products, commercial activities or special interests not named which are relevant to the programme's subject matter. This information should be presented in a straightforward factual manner.

5. APPLICATION OF OTHER CODES

(i) Programme Codes

All programmes, whether sponsored or not, are equally subject to the Authority's Code of Standards and Practice in Cable Programmes. Sponsored programmes should not, therefore, display any undue emphasis on the products, services or name of a sponsor or his associates. Where, in the Authority's opinion, a programme contains an undue element of advertisement it may be treated instead as an 'infomercial' and be subject to the Code of Advertising Standards and Practice ('the Advertising Code').

(ii) Sponsorship Credits

A sponsor's credit and any associated product copyline must comply (in terms of content) with the Advertising Code.

by the House of Commons Select Committee on Home Affairs. In that last case, the Authority drew attention to the nonsensical and anomalous situation in relation to the control of satellite television, with most channels being regulated by the Authority but some future services subject to a different scheme of regulation by the IBA. It proposed a unified structure under the Cable Authority.

The Authority also prepared a paper on the valuable contribution that cable can make towards regeneration of the inner cities. This can happen in a number of ways, from employment creation to assisting educational services and from helping ethnic minorities to more effective care for the elderly. The Government was urged to explore how best to ensure that these benefits were seized.

In connection with the Government's preparation of forthcoming legislation on broadcasting, the Authority submitted proposals to the Home Office for ways in which the Cable and Broadcasting Act 1984 might sensibly be amended. The most significant changes urged on the Government were that

Credits may be inserted in breaks within a cable programme service at the discretion of the Programmer. Each insertion of a credit (with or without copyline) counts as advertising when determining the total advertising time on that service with the exception of the mandatory credits required by Section 4 of this Code.

(iii) Spot Advertising

Programmers are free to offer sponsors spot advertising in breaks before, during or after the programme. All such advertising must observe the provisions of the Advertising Code.

6. RESTRICTED/PROHIBITED SPONSORS AND PROGRAMMES

(i) Unacceptable Products

Goods or services which are excluded from cable advertising by the Advertising Code (e.g. cigarettes), are not acceptable for sponsorship, other than as described in Section 2(i) (Coverage of Sponsored Events).

No sponsor's credit is acceptable which, in the Authority's opinion, would publicise directly or indirectly any goods or services so excluded.

A sponsor is not acceptable for a particular programme if his advertisements could not (under the Advertising Code) appear in or around that programme.

(ii) Political Sponsorship

Any organisation whose aims and objectives are wholly or mainly of a political nature is prohibited from cable programme sponsorship.

Sponsorship by non-political organisations is not acceptable where the sponsoring of a programme is directed towards any political end or has any relation to any industrial dispute.

(iii) News and Current Affairs

News and current affairs programmes may not be sponsored other than with the specific approval of the Authority.

NOTES FOR GUIDANCE

(The numbered paragraphs correspond to the sections of the Code)

2. The arrangements described in Section 2 will not be treated as applying where the programmer has been influential in setting up the event and/or the sponsorship of it. In this situation the rules about prohibited sponsors (see Section 6) will apply and, in particular, sponsorship of an event by a cigarette brand or tobacco house will not be acceptable. Where the event takes place in the UK, the programmers' influence will normally be presumed. This would not prevent Programmers from purchasing the rights to overseas tobacco sponsored events based on the material's programming merits.

4.(i) Underwriting

Suitable expressions might include 'presented by' or 'brought to you by'.

4.(ii) Commissioning

Examples of acceptable programme title credit might be: "British Airways Holiday '88", "The Coca Cola Rockfile".

6.(i) The use of a tobacco company's house name as an underwriting or commissioning credit would normally be considered unacceptable by the Authority as indirectly publicising cigarettes.

6.(ii) Political Sponsorship

This clause places no restrictions on cable operators' ability to offer local channel access to both political and non-political organisations representing a wide diversity of opinion, nor on the freedom of programmers to offer 'opinion' time to anyone they wish, subject only to the Programme Code.

The sponsorship of political programming is not ruled out. The test for considering sponsorship by a non-political organisation or company should be whether the decision to sponsor that programme has the purpose of promoting a political end or is related to an industrial dispute. In making this judgement, the interest of the sponsor in the political end or the industrial dispute will clearly be relevant.

6.(iv) News

This clause places no restriction on documentary sponsorship. Programmers should consult the Authority in advance if in doubt about the distinction between news and current affairs and documentary material. The Authority has a particular duty to ensure the impartiality of news and therefore will consider sponsorship in this area only by underwriting.

'brief'

The Authority would not normally expect copylines contained in credits given under Section 3 to exceed five seconds.

'short'

The Authority would not normally expect copylines contained in credits given under Section 4 to exceed ten seconds.

'undue emphasis'

Some considerations might be

- (i) Are these products/services consonant with the argument or germane to the plot of the programme, or are they obtrusive and contrived? Would a viewer be left wondering why they had been included?
- (ii) Is the camera dwelling on the products/services? Are they in close-up for no good reason?
- (iii) Without the opening or closing credits, would it be possible to deduce the identity of the sponsor?

- the restriction on the foreign control of licensee companies should be abolished as an unnecessary barrier to the development of cable in the United Kingdom. While British investors are still reluctant to put up the finance for a business with which they are unfamiliar, there is considerable interest from North American companies which is being largely stifled by the ban on their being able to control any investment they make here.
- the must-carry rule should be abolished. The sole criterion, consistent with the commercial freedom generally applying to cable, should be whether public demand makes a particular channel worth including in the service provided to cable customers. The Authority does not suggest that the broadcast channels should not be carried on cable but believes that the argument of principle is particularly strong in relation to DBS. It is wrong that the present law singles out some satellite channels for preferential treatment over other satellite channels.
- the restrictions on the showing of listed and protected events should be relaxed and complemented by new provisions aimed at outlawing the acquisition of rights for the purpose of withdrawing them from the market. This is an abuse which has been highlighted in the Authority's previous Annual Reports and which has led during the year to a case being taken to the European Court.
- restrictions on the amount of advertising (in any case applied only to Sky Channel and Super Channel under the terms of the Act) should be abolished. Viewers themselves should be allowed to determine what level of advertising is acceptable.

Microwave television – wireless cable

Another important matter being considered for broadcasting legislation is the licensing of microwave television, already referred to in Chapter 1 and known as MMDS or MVDS or as "wireless cable". During the year the Authority submitted proposals to the Government for the exploitation of MVDS, following which the Government commissioned a feasibility study and initiated a review of the possibilities.

The Authority's view is to regard MVDS as an effective complementary technology to cable. It has the advantage that it can provide multi-channel choice of television more quickly and more cheaply than cable, even if not to the same extent. It is however nothing but a one way medium for delivering television. It lacks the interactive capabilities and the broadband capacity of modern cable and thus has no contribution to make to the advanced communications of the future or to the competitive environment of telecommunications.

The Authority's view, pressed also by others, is therefore that these very different technologies should be harnessed in a regulatory structure which seeks to obtain the best of both. An additional advantage is that if cable franchisees were able to utilise MVDS while constructing their cable networks, their ability to provide pay television services throughout most of their area from the outset would overcome problems of low income in the early stages of their business. This would also enable revenues to be ploughed back into the network construction, reducing initial equity requirements and improving the financial return. The combination of MVDS and cable would therefore make cable a more attractive investment to those whose hesitation has slowed progress.

At the time of writing this report, the Government's conclusions on MVDS are not known, but the Authority is hopeful that the advantages of its proposals will be more widely recognised.

Initiatives at the European level

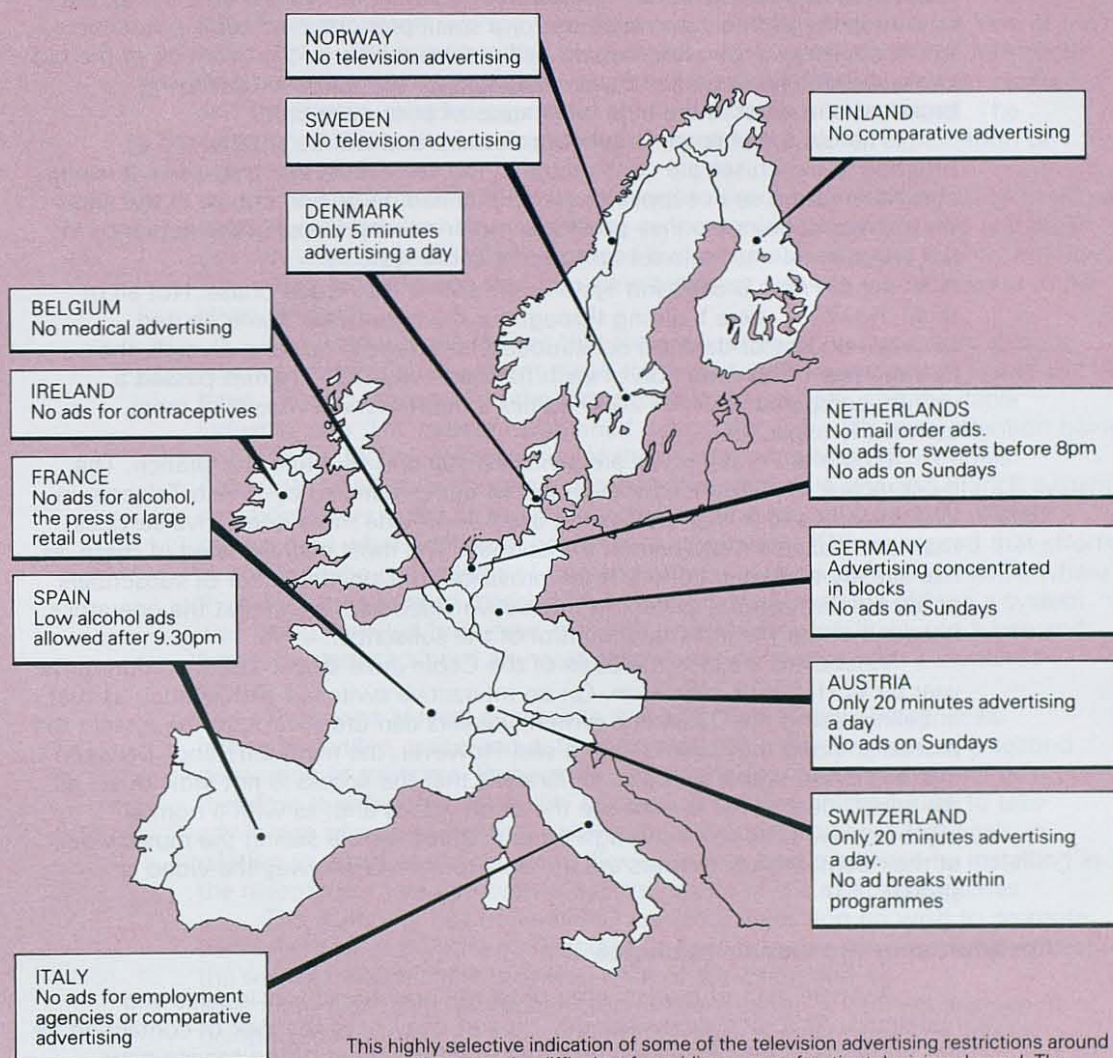
One other important area of policy formulation has received close attention from the Authority. The idea that there should be European measures designed to formulate common basic principles on cross-frontier broadcasting has been strongly supported by the Authority. But it is essential that such measures are in the context of a desire to seize in a positive fashion the new opportunities created by the abundance of television outlets. The Authority has been disturbed that both the draft directive being produced within the European Community and the Convention being drafted by the Council of Europe have included features which are unhelpful to the development of the new media and in some respects positively damaging to their ability to survive.

The Authority has been active during the year in making the case for changes in these documents before they can become acceptable, both in this country and elsewhere in Europe, sometimes on its own account and sometimes in concert with others. The Authority was pleased that, in a speech he made in February, the Home Secretary recognised and accepted the concern that it had expressed.

Promoting cable development

Much of what has gone before illustrates the Authority's efforts to promote and safeguard the successful and beneficial development of cable. More generally, the Authority has continued during the year its programme of promoting awareness of cable and of ensuring that prospective investors and providers and users of cable services are as fully informed as possible about the enormous potential of the medium. As one aid to this, the Authority was able, with much-valued help from various sponsors, to produce a video about cable which supplements the Authority's other presentational materials and its series of information sheets.

THE TELEVISION ADVERTISING MARKET IN EUROPE



This highly selective indication of some of the television advertising restrictions around Europe illustrates the difficulty of providing a cross-frontier television channel. The Authority has campaigned for the opening up of a common market in television advertising, based on regulation by the country of origin.

3

The Cable Industry

On 31 March 1988, ten new broadband cable systems were operational, two more than a year previously. The two systems switched on were in Tower Hamlets and Guildford.

On that date, those ten systems passed a total of 310,000 homes, an increase of 140,000 over the year. Of those, subscribing homes numbered 44,500, representing a penetration rate of 14.5%. This compared with 22,000 subscribers and a penetration rate of 13.1% a year previously.

Those figures have not been published in the past. The practice has been for JICCART to publish quarterly the establishment data only for the whole cable industry, which are of course very much higher. For the time being, the new broadband franchises account for a small proportion of cable subscribers in the country. Most cable viewers still receive their services over one of the old cable systems first installed many years ago for the purpose of relaying broadcasts in what at the time were areas of poor reception.

The old systems are largely obsolescent and will be superseded as broadband franchises are constructed in the same area. But they serve a useful short-term purpose in supplying extra, if limited, television choice in the areas they serve. In doing so they provide a much-needed boost in the audience for the programme channels set up to serve cable systems.

All the new broadband systems are still in their build phase. Not all of them, however, were building throughout the entire year: some paused between phases or deferred construction for financial reasons. Overall, the average rate of construction of each franchise was 1300 homes passed a month, compared with the 2000 homes a month which would be more commonly expected.

Of the ten systems, six are switched star and four tree and branch. The most technically advanced system is that being installed by British Telecom in Westminster and it is already being used to provide more interactive services than are available elsewhere in the country. The most sophisticated of these, as has already been mentioned, is the provision to a small number of subscribers of access through the system to interactive videodiscs, played at the operator's headend under the individual control of the subscriber.

Videodiscs are also the basis of the Cable Juke Box introduced during the year by W.H. Smith Television. On an interactive switched system such as that in Ealing, using the Cabletime switch, viewers can order through the system the particular video they would like to see. However, the main difference between this and Westminster's videodisc library is that the access is not individual: all the subscribers to the service see the same videos and, as with a normal jukebox, may have to sit through other requests before seeing the music video of their own choice. Viewers are not able to control the way the video is shown.

Acclimatising the viewer to choice

A crucial part of the activities of all the new franchises is sales and marketing. As their systems steadily expand, they have the task of contacting all the households freshly passed by cable to inform them of the service now available and to invite them to subscribe. The experience is that consumer conservatism leads most people initially to decline to take an interest. Of those who are prepared to hear more of what is being made available, most decide to subscribe.

One feature of the year was a move by many operators to redesign their marketing in order to allow customers a freer choice of the channels they received. The tendency was therefore towards a la carte choice to supplement a basic package and away from a series of prepackaged bundles of channels at different prices. The objective was to attract and keep more customers, even at the price of a lower average subscription. The rise in penetration over the year has already been referred to. A study by the Authority showed that during the year the average monthly subscription on the franchised systems fell slightly from £18.50 to £17.86.

Interestingly, audience research indicates that as time goes by cable viewers are utilising to a greater degree the choice they have. Research by JICCAR in November 1985 showed that 23% of viewing in multichannel cable homes was of cable channels. Their next study in November 1986, described in last year's report, showed the proportion having risen to 30%. Although no further study was undertaken by JICCAR, research in December 1987 by AGB, summarised elsewhere in this report, showed the equivalent figure to be 39%. Electronic monitoring on the switched systems frequently indicates viewing of cable channels significantly higher than these percentages, and efforts are being made to refine and systematise this modern research tool.

Technology and telecommunications

Since the cable revolution began four years ago there has been a split between those who saw modern broadband cable essentially in terms of cable's traditional role of a television medium and those who wished to capitalise fully on the liberalisation of both the television and telecommunications regimes. The Authority has been firmly on the side of the latter group. The opportunities presented by the capabilities of modern cable – which are now driving cable development in most of the developed world – and the market-oriented regulatory structures deserve to be seized. The Authority is committed to promoting the broadest possible exploitation of cable's potential.

The Authority was therefore pleased to see the steps being taken in some areas to provide alternative telephone services even though, from a technical point of view, this still had to be done by means of a separate overlay network. This was a tangible sign that non-entertainment services on cable were to be taken seriously.

The Authority recognises that the application of market forces and the reliance on private investment mean that those with the money to invest will have a strong influence on the direction that this debate, and the cable industry, take. The debate heightened during the year with fresh attention being given to the technical limitations of the current generation of switches. Although switched systems are capable of more than a tree and branch system, some operators questioned whether the practical advantages they offered outweighed what additional cost they might involve. Others argued that efforts to enhance the capabilities of tree and branch systems only made sense where there had already been massive investment in such systems. Where a system was being installed from new, building additional capabilities into a tree and branch system sacrificed any cost advantages compared with a switched system.

There was at least consensus that switched broadband services integrating video, voice and data necessitated the development of a second generation of switches. Perhaps the important approach for the time being was therefore to safeguard the ability to upgrade systems in the future to take advantage of new technology. However, the consensus was lost again in relation to whether the necessary flexibility was best preserved by installing in the meantime a tree and branch system or one of the existing switches.

The Authority has no technical responsibilities and no wish to promote particular products in the marketplace. It does however have a strong interest in the services which cable provides, both of television and of telecommunications. It therefore has a determination to prevent this debate being used as an excuse for ignoring non-entertainment services and for driving the cable industry into the television cul-de-sac.

THE BROADBAND OPERATORS



ABERDEEN CABLE

ABERDEEN

Aberdeen Cable Services Ltd, 303 King Street
 ABERDEEN AB2 3AP
 Telephone: 0224 649444

Principal shareholders: British Telecom (30%); Legal & General (14%), Time Life International (13%); Standard Life Assurance (12%), Investors in Industry (6%), North of Scotland Investment Co., Abingdon Management Co, APA Venture Capital, Royal Bank, Clydesdale Bank.

Directors: Martin Gilbert (Chairman); Donald MacDonald (Deputy Chairman); Mike Frost; Kevin Rorke; Stephen Redfarn; Fay Win.

Senior staff: *Managing Director* John Miller; *Finance Manager* Lorna Milne; *Business Development Manager* Roy Summers; *Television Manager* David Strachan; *Head of Sales & Marketing* Gordon Sleigh; *Sales Manager* Denise Wilson.

Franchise area: Aberdeen and surrounding areas (91,000 homes). The 15 year licence commenced on 4 May 1985.

Cable system: a 29 channel tree and branch system is being installed for Aberdeen Cable's use by British Telecom. Construction commenced in January 1984 and the system should be the first of the new broadband systems to be completed, in 1988.

Services provided: Aberdeen Cable provides all the national cable channels together with several foreign channels. Its own Aberdeen Channel comprises text based local services and community access.



COVENTRY CABLE TELEVISION

COVENTRY

Coventry Cable Ltd, Blackburn House
 Whitley Village, London Road, COVENTRY CV3 4HL
 Telephone: 0203 505345

Principal shareholders: British Telecom (74%) EMAP (15%); Equity & Law Life Assurance Society (11%).

Directors: Frank Bateson (Chairman); John Smith; Andrew Stone; Alan Burke; Ken Leeson; Stanley Clarke; Fay Win; Graham Blakeman; Roy Emerson.

Senior staff: *Chief Executive* Malcolm Arnold; *Manager Finance* Brian Parker; *Operations Director* Graham Blakeman; *Sales & Marketing Director* Roy Emerson; *Head of Presentation* Bob Wilkinson; *Personnel and Administration Manager* Maria Wilson

Franchise area: The City of Coventry (119,000 homes). The 15 year licence commenced on 12 September 1985.

Cable system: a 29 channel tree and branch system is being installed by British Telecom, with many of the final links to subscribers being associated with BT's existing overhead telephone distribution. Construction commenced in March 1985.

Services provided: Coventry Cable provides an 18 channel television service as well as radio. All the national cable channels are carried, and two from overseas. One channel is devoted to COLT (Coventry's Own Local Television) in which Coventry Cable works with Mercia Sound for news services.

**CROYDON**

Croydon Cable Television Plc., Communications House
 Blue Riband Estate, Roman Way, Croydon CR9 3RA
 Telephone: 01-7602 022

Principal shareholders: Cablevision-UK (40%); Crystal Palace Radio Ltd (15%); Balfour Beatty Ltd (10%); A.S.M. Robinson (19%); J.F. Gill (8%); R. Subba Row; (6%).

Directors: Sir Paul Bryan DSO MC (Chairman); Jim Dovey; Graham Robertson; Peter Lynch, Jack Gill CBE; Matthew Oristano, Victor Oristano; Robert Stiby; Sir Richard Storey; Raman Subba Row.

Senior staff: *General Manager* Peter Lynch; *Finance Director* Graham Robertson; *Manager Crystalvision* Frazer Ashford.

Franchise area: the London Borough of Croydon (120,000 homes). The 15 year licence commenced on 15 October 1985.

Cable system: Croydon Cable is installing a 38 channel tree and branch cable system in a star configuration, utilising Jerrold Starcom 450 set-top decoders in subscribers' homes, with a separate institutional network laid in the same ducts. Construction commenced in June 1985.

Services provided: Croydon Cable provides a 31 channel television service and an 8 channel FM radio service comprising all the nationally available programme channels, several foreign channels and a range of local channels including the Crystalvision television channel.

**EALING**

Cabletel Communications Ltd., Fieldway
Greenford, Middlesex UB6 8UN
Telephone: 01-575 9000

Principal shareholders: Ladbroke (75%); Comcast Corporation (20%); Legal & General (5%).

Directors: John Jackson (Chairman); Cyril Stein; Peter George; Gerry O'Mahoney; Julian Brodsky; Daniel Aaron; Ralph Roberts.

Senior staff: *Chief Executive* R C Yates; *Chief Engineer* Vic Male; *Chief Accountant* Nigel Roach; *Commercial Controller* John Proctor;

Franchise area: the London Borough of Ealing (100,000 homes). The 15 year licence commenced on 15 November 1986.

Cable system: Cabletel Communications is installing its own 28 channel switched star network utilising the Cabletime switch. Construction commenced in September 1986.

Services provided: all the national cable channels are provided along with several foreign channels. Cabletel was the first British cable operator to carry Moscow Television. Cabletel has taken the initiative in assembling a Hindi channel, Indra Dhnush, which it supplies also to other operators. It is also starting to produce local programmes mainly in Hindi.

**EAST LONDON**

East London Telecommunications Ltd., ELT House,
2 Millharbour, London E14 9TE
Telephone: 01-538 4838

Principal shareholders: Fleming Mercantile Investment Trust (30%); Investors in Industry (12.5%); Electricity Supply Pensions (12.5%); GEC (12.5%); British Rail Pensions (9%); Prudential Assurance (6%); Ferranti; Mercury; Southbrook; Jones Intercable; Barclays Investment Mangement.

Directors: Ian Hinton (Chairman); David Cronin; Peter Davis; Derek Dawson; Kevin Lomax; Peter Maddock; Roger Marshall; Gordon Owen; Peter Richmond; Mark Sketchley; Barrie Turner-Smith; Simon Weinstock.

Senior staff: *Managing Director* Roger Marshall; *Finance Director* Peter Maddock; *Sales and Marketing Director* Barrie Turner-Smith; *Technical Director* David Cronin.

Franchise area: the London Boroughs of Newham and Tower Hamlets (127,000 homes). The 15 year licence commenced on 6 April 1987.

Cable system: GEC Cable Systems have been commissioned to install a switched star network. A separate optical fibre telecommunications network is being provided. Construction commenced January 1987.

Service provided: All the national channels are provided, together with a range of foreign channels. No local television service is yet provided but local text information is carried.

**GLASGOW**

Clyde Cablevision Ltd., 40 Anderston Quay
Glasgow G3 8DA
Telephone: 041-221 7040

Principal shareholders: GEC (25%); Scottish Daily Record/BCS (25%); Cable & Wireless (25%); Balfour Kilpatrick (25%); Investors in Industry; Charterhouse Group; Prudential Assurance; Scottish Mutual Assurance; Scottish Amicable Nominees; Ensign Trust.

Directors: Sir Ian MacGregor (Chairman); Sandy Stewart (Deputy Chairman); David Campbell; Michael Kelly; Robert Maxwell; John Morrish, Gordon Owen, Stuart Park, Gerry Richardson; Simon Weinstock.

Senior staff: *Managing Director* Stuart Park; *Finance Director* John Morrish; *Marketing Director* Gordon Hellyer; *Engineering Manager* Alex Huygebaert; *Director of Programmes* Joyce Taylor; *Construction and Installations Manager* Neil Morrison.

Franchise area: Central and Northwest Glasgow and Clydebank (112,000 homes and 16,000 business premises). The 15 year licence commenced on 9 November 1985.

Cable system: Clyde Cablevision is installing a 30 channel switched star system utilising the GEC switch system. Construction commenced in July 1985.

Services provided: all the national channels are provided, as well as a range of foreign channels and Clyde Cablevision's own Glasgow Channel which includes community access.

**SWINDON**

Swindon Cable Ltd., Newcome Drive
Hawksworth Estate, SWINDON, Wiltshire
Telephone: 0793 615601

Principal shareholders: British Telecom (100%).

Directors: Roy Faibish (Chairman); Frank Bateson; Alan Burke; Peter Gosling; Andrew Hurley; Joan Kiernan; Nicholas Tresilian; Roger Wilson.

Senior staff: *Chief Executive* Roger Wilson; *Finance Director* Joan Kiernan; *Sales and Marketing Manager* David Richards; *Chief Engineer* Derek Alesbury; *Programming Controller* Lin Pride

Franchise area: Swindon (75,000 homes). The 15 year licence commenced on 15 September 1984.

Cable system: A 16 channel tree and branch system was provided by Thorn EMI for the first phase of the new system in early 1984, supplementing the old broadcast relay network which has existed in Swindon for many years. Following Thorn EMI's sale of the company to British Telecom, BT have upgraded the new system to 32 channels and are extending it.

Services provided: Swindon Cable carries all the national channels with the exception of the Arts Channel. Swindon Cable's own local programming was suspended in February 1986, but it still carries community access and local text services.

**WESTMINSTER**

Westminster Cable Company Ltd., 87/89 Baker Street
London W1M 1 AG
Telephone: 01-935 6699

Principal shareholders: British Telecom (45%); British Information Technology (18.5%); Pru Bache (22.5%) Sanoma Corporation (10%); City Centre Cable (4%).

Directors: Brian Deutsch (Chairman); Frank Bateson; Tapio Kallioja; Brian Lawrence; Bill Pittman

Senior staff: *Managing Director* Bill Pittman; *Financial Controller* Tony Tucker; *Technical Operations Manager* Roger Blakeway; *Sales Manager* Roger Bell; *Videotex and Advertising Manager* Helena Kania.

Franchise area: the City of Westminster (73,000 homes and 14,000 business premises). The 15 year licence commenced on 15 October 1985.

Cable system: British Telecom are installing for Westminster Cable's use an advanced switched star system using BT's own switch. It is the only British broadband network currently to be making extensive use of optical fibre, in all the trunks down to each local switching point.

Services provided: Westminster Cable provides all the national cable channels, along with some foreign channels. One channel is devoted to full live coverage of proceedings in the House of Lords. It provides in addition an Arabic Television Channel, using programmes supplied by Dubai TV. Although no local programmes are yet available, it provides extensive local text services, offers access to Prestel services and is experimenting on part of the system with allowing access to a library of interactive videodiscs.

**WINDSOR**

Cable House, Waterside Drive,
Langley, Berkshire SL3 6EZ
Telephone: (0753) 44144 Telex: 846717
Facsimile: (0753) 49310

Principal shareholders: Standard Life Assurance; Compagnie General de Chauffe; CIN Industrial Investments; McNicholas Construction; Investors in Industry; Drayton Consolidated Trust; Sharp Technology Fund; Kleinwort Grieveson Investment Management; County Development Capital; Grosvenor Technology; Fountain Development Capital Fund.

Directors: Michael J Davis (Chairman); Alan Boyd; Martin Nutton; Joe Delahunty; Tim Halfhead; Peter Knowles; Bernard Lecomte; Jean-Pierre Machart; Philip Maskell; Nicholas Taylor; Ian Shillitoe

Senior staff: *Managing Director* Peter Knowles; *Financial Director* Ian Shillitoe; *Technical Director* Martin Nutton; *Marketing Director* Tim Halfhead; *Chief Engineer* Reg Smart.

Franchise area: Windsor, Slough, Maidenhead, Ashford, Staines, Stanwell and Heathrow Airport (99,000 homes). The 15 year licence commenced on 2 December 1985.

Cable system: Windsor Television is installing its own switched star network using the Cabletime switch. Construction commenced October 1985.

Services provided: All the national cable channels are provided. Two foreign channels are carried, and it provides the Hindi channel Indra Dhnush. Local text services are provided, plus a new local information and advertising channel called Arcade, but no local originated programming is yet produced. A local telecommunications service commenced in December 1987.

**GUILDFORD**

British Cable Television
170 Walnut Tree Close, Guildford, Surrey, GU1 4RX
Telephone: 0483 505200

Principal shareholders: Metromode Ltd (Pergamon Press)

Senior staff: *General Manager, Home Counties* Norman Asby, *Manager for Guildford* Mike Cobb

Franchise area: Guildford, Woking, Camberley, Aldershot, Farnham, Farnborough, Fleet and Godalming (137,000 homes). The 15 year licence commenced on 1st July 1987.

Cable system: A pilot scheme has been constructed by BCS utilising the system 8 switch developed in Rediffusion's research laboratories. The remainder of the system is under review.

Services provided: Ten satellite-delivered channels are carried in addition to the terrestrial broadcast channels, together with one tape-delivered channel. A programme guide in text form, as well as a split-screen sampler channel, is also provided.

OTHER CABLE FRANCHISES SO FAR AWARDED

CAMDEN

(Franchise area: The London Borough of Camden – 70,000 homes)

Cable Camden Ltd, The Elephant House, Hawley Crescent, Camden Town, London NW1 8NP.

Tel: 01-528 0555 Chief Executive – Jerrold Nathan

As a preliminary step, Cable Camden have constructed a small pilot scheme serving 104 flats, using the Cabletime switch, which was switched on under an interim licence in March 1987.

LUTON AND DUNSTABLE

(Franchise area: the Districts of Luton and South Bedfordshire – 91,000 homes). Cablevision Bedfordshire Ltd, Camp Drive, Houghton Regis, Dunstable, Bedfordshire LU5 5HE.

Tel: 0582 865095. Managing Director – Phillip Morgan.

Under an interim licence, Cablevision Bedfordshire are operating some old systems in their area pending the construction of a new network.

ANDOVER

(Franchise area: Andover, Hampshire – 11,500 homes). IVS Enterprises Ltd, 54 Warwick Square, London SW1V 2AJ. Tel: 01-834 6012. Managing Director – Peter Funk.

BELFAST

(Franchise area: the whole of Belfast – 136,000 homes). Ulster Cablevision, 40 Victoria Square, Belfast BT1 4QB. Tel: 0232 249141. Executive Vice Chairman – George Alton.

BOLTON

(Franchise area: the Metropolitan Borough of Bolton – 135,000 homes). Bolton Telecable, c/o National Telecable, 19 Stratford Place, London W1N 9AF. Tel: 01-493 8388. Managing Director – Malcolm Matson

CARDIFF

(Franchise area: Cardiff and Penarth – 130,000 homes) British Cable Services Ltd, Southern House, 1-4 Cambridge Terrace, Oxford, OX1 1UD. Tel: 0865 250110

CENTRAL LANCASHIRE

(Franchise area: Preston, Chorley and Leyland – 114,000 homes). Lancashire Cable Television Ltd, c/o Oyston Cable, 1 Chapel Street, Preston PR1 8BG. Tel: 0772 202505. Managing Director – David Whitaker

CHELtenham AND GLOUCESTER

(Franchise area: the two urban areas – 90,000 homes). Cotswold Cable Television Ltd, The Quadrangle, Imperial Square, Cheltenham, Gloucester GL50 1YX. Tel: 0242 519111. Director – Tim Osborne.

EAST LANCASHIRE

(Franchise area: Blackburn, Accrington, Burnley, Nelson, Colne & Rossendale Valley – 168,000 homes). East Lancashire Cablevision Ltd., 41 Gloucester Place, London W1H 3PD.
Tel: 01-487 4419. Director – Bill McDougall

EDINBURGH

(Franchise area: the Whole of the City – 183,000 homes). Cablevision (Scotland) Plc, 4 Melville Street, Edinburgh EH3 7NZ. Tel: 031 453 1919. Director – Eric Sanderson.

KENSINGTON AND CHELSEA

(Franchise area: Kensington and Chelsea – 68,000 homes). City Centre Cable Ltd., 87/89 Baker Street, London W1M 1AH. Tel: 01 487 5732. Chairman – Brian Deutsch

LIVERPOOL

(Franchise area: South Liverpool – 125,000 homes). Merseyside Cablevision Ltd, c/o Oyston Cable, 1 Chapel Street, Preston PR1 8BG. Tel: 0772 202505. Co-ordinator – Bob Nixon.

SOUTHAMPTON

(Franchise area: The City of Southampton and the urban part of Eastleigh – 97,000 homes). Southampton Cable Ltd, 87 Jermyn Street, London SW1Y 6JD. Tel: 01-839 7106 Chief Executive – Richard Tripp.

WANDSWORTH

(Franchise area: the London Borough of Wandsworth – 100,000 homes)
Wandsworth Cable Ltd., 87 Jermyn Street, London SW1Y 6JD. Tel: 01-839 7106. Chief Executive, Richard Tripp.

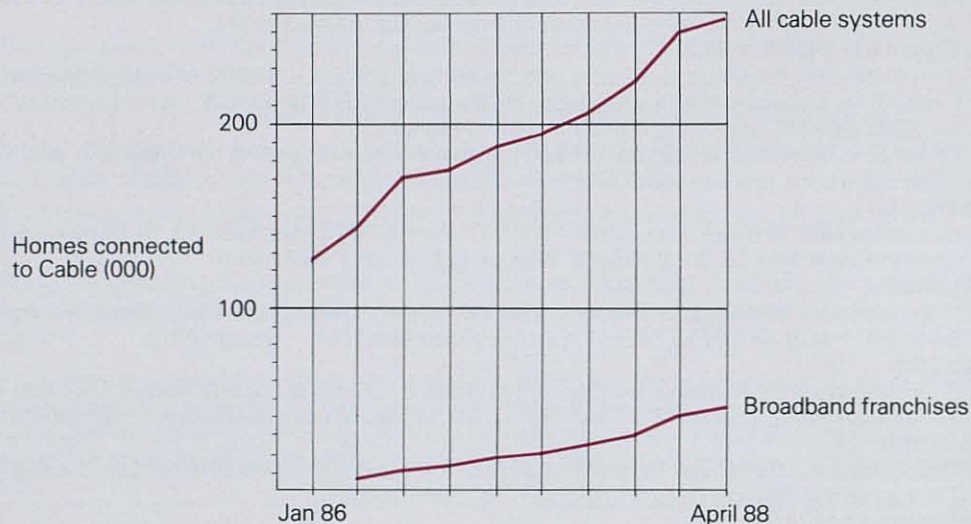
THE CABLE AUDIENCE

THE AVAILABILITY OF CABLE

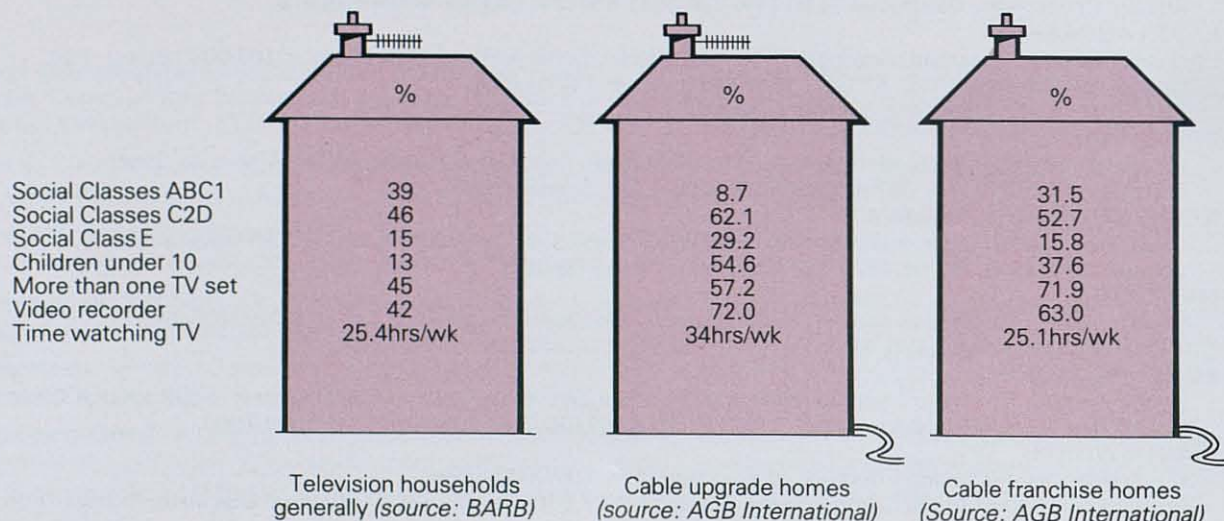
	ALL CABLE SYSTEMS			BROADBAND FRANCHISES		
	Homes passed	Homes connected	Penetration	Homes passed	Homes connected	Penetration
January 1986	975,430	127,481	13.1%			
April 1986	994,822	143,857	14.5%	66,238	7,523	11.4%
July 1986	1,052,174	172,405	16.4%	90,768	10,238	11.3%
October 1986	1,133,531	174,726	15.4%	107,703	13,094	12.2%
January 1987	1,176,096	188,459	16.0%	143,066	19,758	13.8%
April 1987	1,189,655	193,173	16.2%	168,436	21,873	13.0%
July 1987	1,251,353	207,938	16.6%	211,643	26,584	12.6%
October 1987	1,288,678	222,169	17.2%	235,858	30,653	13.0%
January 1988	1,360,773	249,642	18.3%	276,671	40,609	14.7%
April 1988	1,372,856	256,527	18.7%	307,453	44,565	14.5%

Source: JICCAR

HOW THE AUDIENCE IS GROWING

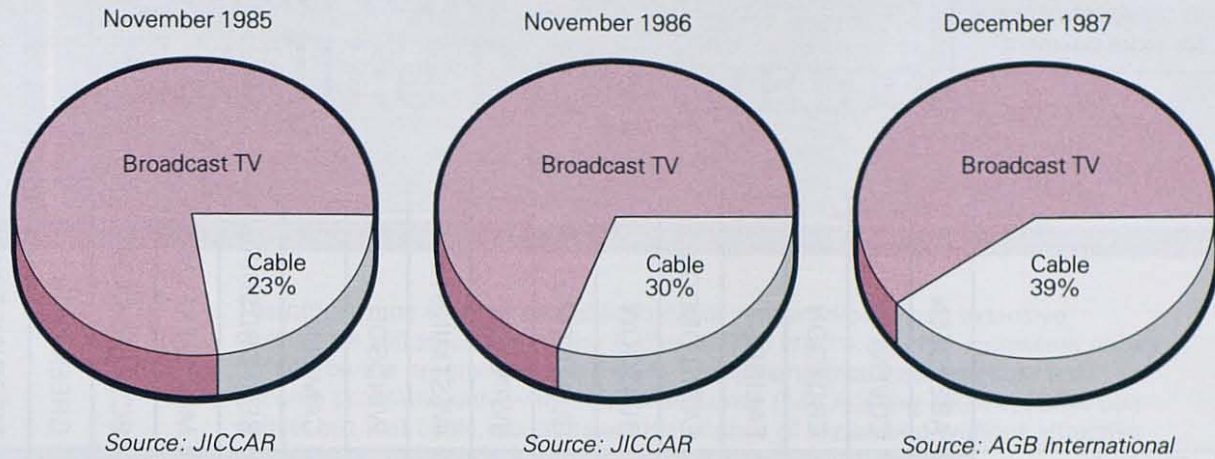


WHO ARE THE AUDIENCE ?

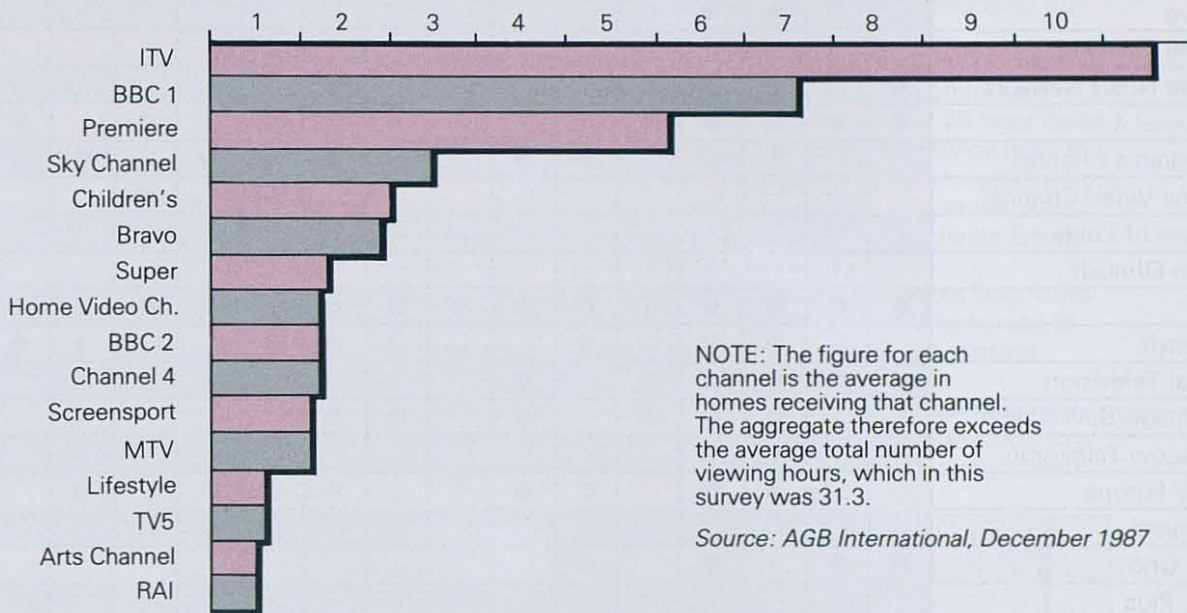


WHAT ARE THEY WATCHING?

Share of viewing in homes receiving a range of cable channels



AVERAGE WEEKLY VIEWING HOURS BY CHANNEL



VIEWING IN CABLE HOMES ACROSS EUROPE

(Share of viewing of Satellite Television channels in various countries)

	Scandinavia	Belgium	Switzerland	Netherlands	West Germany	UK*
RAI	-	2	4	-	-	0.3
Sky Channel	20	1	2	6	2	7.5
Super Channel	7	-	1	2	1	2
SAT 1	-	-	-	-	14	-
RTL Plus	-	-	-	-	13	-
All Satellite Channels	27	3	7	8	30	29

Source: PETAR, Spring 1987
 *Source: AGB International, December 1987

WHAT'S ON WHERE

- in cheapest package
○ for extra payment

	ABERDEEN	COVENTRY	CROYDON	EALING	EAST LONDON	GLASGOW	GUILDFORD	SWINDON	WESTMINSTER	WINDSOR	CAMDEN	BEDFORDSHIRE	MILTON KEYNES	BCS UPGRADES	GREENWICH	MEDWAY TOWNS
Arabic Channel									○							
Arts Channel	○	●	○	○	●	○	●		○	○	●					
BBC 1	●	●	●	●	●	●	●	●	●	●	●		●		●	●
BBC 2	●	●	●	●	●	●	●	●	●	●	●		●		●	●
Bravo	○	○	●	●	○	○		○	○	○			○			
Cable Jukebox		○		●												
Cable News Network	●	○	●	○	○	○		○	○	○	○					
Channel 4	●	●	●	●	●	●	●	●	●	●	●		●		●	●
Children's Channel	○	○	●	○	○	●	●	○	○	○	○	●	○	●	●	○
Home Video Channel	○	○	○	○	○	○	○	○	○	○	●		●	○		
House of Lords									●							
Indra Dhnush			○	○	○					○						
ITV	●	●	●	●	●	●	●	●	●	●	●		●		●	●
Lifestyle	○	○	●	●	○	●		○	○	●	●		○	●	●	○
Local Television	●	●	●		●		●									
Montage/Split screen			●	●	●		●		●	●						
Moscow Television	●		●	●												
MTV Europe	○	○	●	●	○	●	●	○	○	●	●	●	○	●		
Premiere	○	○	○	○	○	○	○	○	○	○	○	●	○	○	○	○
RAI Uno	●	●		●		●	○		○							
RTL Plus					○											
SAT 1	●	●		●		●			○							
Screensport	○	○	●	○	○	●	●	○	○	○	●	●	○	●	●	○
Sky Channel	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Super Channel	●	●	●	●	●	●	●	●	●	○	●	●	○		●	●
Text information	●		●	●	●	●	●	●	●	●	●		●			
3 SAT				●				○								
TV5	●	●	○	●		●	○	○	○	○						
Vision B'casting			●	●				○								
Worldnet	○	●	○	●	○	○	○	○	○	○						
Stereo radio	●	●	●	●	●	●	●	●	●	●	●		○			

4

Cable and Satellite Programmes

The programme services available to cable viewers are already extensive, despite the still small size of the audience. The choice on offer represents an act of faith by the programme companies, recognising that their services can become profitable only with a larger audience than existing cable systems can deliver but that cable would have little chance of expanding without attractive programmes to provide in the meantime.

Eleven television channels of British origin – over and above the off-air broadcast channels – were being supplied to cable systems generally at the end of the year. Full details of each are given separately in this Report. The new channel launched during the year was MTV Europe. Eleven channels is more than many old systems can carry, and those systems require decisions by the operator about what is carried and at what hours.

The modern multichannel systems have capacity for many more channels and usually carry services from overseas in addition. The most commonly carried channels from other countries are CNN International, the 24 hour news channel from the USA; Worldnet, the news and current affairs service from the United States Information Agency; TV5, the francophone television service from a consortium of French language broadcasters from different countries, RAI Uno, the principal Italian broadcasting channel; and SAT1, the private German television station. Some systems carry Moscow television.

Every new franchise and some older systems provide services originated especially for their local area. In all cases this consists of local information in text form but some systems are already providing a television programme service in addition.

Cable is seen primarily as a television medium, but some developments have occurred in relation to cable radio. Many operators offer connection to a hi-fi system as well as to a television set so that subscribers can enjoy stereo



Local community volunteers at work on their programme for Aberdeen Cable's Access channel.

radio. It also enables subscribers to take full advantage of the stereo sound that is already a feature of some cable television channels. There are two long-established community radio stations utilising cable in Milton Keynes and Thamesmead. In addition, the first satellite-delivered cable radio channel – Cable 1 – started in the course of the year. It was followed shortly after the end of the year by Radio Nova International.

In such a fast developing field, there are always new proposals in the planning stages. The Authority expects other cable television channels to start transmission in the course of next year. The launch of new satellites – Astra is planned to be in orbit by the end of 1988 – will provide a welcome stimulation to developments in the programming field.

European Community programme content

The Authority is required each year to report on how its obligation to ensure the inclusion of a proper proportion of European Community programme material in licensed services has been implemented in practice. This is an issue which has continued to give concern to the Authority in the context of the draft European measures mentioned briefly earlier in this report. Proposals that specific quotas should be imposed on television channels – 60% European Community content has been mooted – are bound to be detrimental to the choice which cable is able to offer.

One of cable's positive advantages is its ability to provide speciality channels to particular minority groups. It would be very much against the public interest for such channels as that for Hindi speakers – Indra Dhnush – or the Arabic Channel which Westminster Cable provide to be forced to close on the ground that they rely predominantly on programmes from outside the European Community and cannot satisfy inflexible quota requirements.

It would not only be such specialised channels which new measures might threaten. A cable film channel is a more mainstream example of the need for greater flexibility. A film channel serves a strong public demand for an alternative to renting videotapes of popular cinema films. But just as the Government eventually found it necessary to abandon attempts to impose British quotas on public cinemas, it must be accepted that most films that British viewers want to see are in the English language and made in America.

The present law allows the Authority to exercise its judgement of what is a proper proportion, which the Authority applies on a channel by channel basis. The table shows what was the position in practice for the British-based channels over a lengthy sample period during the last part of the year.

The Authority judges the performance of the channels in relation to their nature and also to their economic position within a new industry. The Authority and others have to recognise that an audience in a quarter of a million homes in Great Britain cannot provide the base for a great deal of original production.

In these circumstances, what is being done is often creditable. Programme providers are making an effort to produce programming of interest to their viewers, even though they have no prospect until the audience grows even further of covering their costs. The Authority has decided that the proportions of EEC programmes set out in the table are for this year proper.

13 WEEK SAMPLE	TOTAL HOURS	EEC HOURS	NON-EEC HOURS	ECC CONTENT (%)		AVERAGE DAILY OUTPUT
				1987	1988	
THE ARTS CHANNEL	217	117	40	77	82	2.4
BRAVO	2184	1202.40	981.20	40	55	24
CABLE ONE	2184	1820	364		83.33	24
THE CHILDRENS CHANNEL	910	596.96	313.04	63	65.6	10
CNN	2184	21.84	2162.16		1	24
HVC	1092	105	987	12	9.6	11
INDRA DHNUSH	1638	NIL	1638		0	18
LIFESTYLE	546	111.18	436.82	37	20.29	6
MTV	2184	2015	169		92.3	24
PREMIERE	1092	120	972	13	11	11
SCREENPORT	829.66	182.92	646.74	27	22.05	9
SKY	1602.34	854.58	756.36	54	53	18
SUPER CHANNEL	1820	1549	271	88	85	20

THE PROGRAMME PROVIDERS

THE ARTS CHANNEL



THE ARTS CHANNEL

PO Box 7, Ebbw Vale, Gwent, NP3 5YP.
Telephone: 0495 306995 Fax : 0495 306995 (via switchboard)

Nature of service: classical music, jazz, drama, visual arts, ballet, opera, supported by sponsorship and a charge to operators.

Principal shareholders: United Cable Television, TVS, Commercial Union, Equity and Law, J. Griffiths.

Directors: John Griffiths (Chairman), P.G. Smith, F. Hoad, Ernest Hall, Michael Bowers.

Senior staff: *Managing Director* John Griffiths; *Technical Manager* Nick Hughes; *Marketing* Marian Lewis.

Distribution: United Kingdom and Europe, transmitted since February 1988 via the Eutelsat ECS-1 satellite as an addition to the Sky Channel service. Carried on most operational cable franchises and some SMATV systems in the UK.

The Arts Channel began transmissions on 29th September 1985 initially utilising videotape distribution but transferring to the Intelsat V satellite on 1st January 1986. Its service of two to three hours a day, currently transmitted in the small hours after the close of Sky Channel's schedules, is normally recorded by cable operators and played back at various times throughout the day.



BRAVO

Cablevision UK, Communications House, Blue Riband Estate, Roman Way, Croydon, CR9 3RA.
Telephone: 01-680 1444 Telex: 88140709 Fax: 01-681 2340

Nature of service: classic movies, supported by a charge to operators with facility for local advertising to be inserted.

Principal shareholders: Cablevision UK Limited Partnership

Senior staff: *Chief Executive* Matt Oristano, *General Manager* Stephen Clifton, *Head of Administration* Laura Hannah, *Head of Production* Jeremy Isaac.

Distribution: United Kingdom, distributed on videotape to cable operators. Carried on every operational cable franchise and some upgrade systems in the UK.

Bravo began operations in September 1985 with a service of 6 hours a day. The channel now runs for 24 hours a day, featuring films from the 1930s to the 1970s, each of which is scheduled for showing several times over a period of six months.



CABLE JUKEBOX

W H Smith Television Ltd., The Quadrangle, 180 Wardour Street, London W1V 4AE.
Telephone : 01-439 1177 Telex : 265871 MONREF Fax : 01-439 1415

Nature of service: Popular music videos in various categories.

Principal shareholder: W H Smith Ltd.

Senior staff: *Managing Director* Francis Baron, *General Manager* David Stewart.

The Cable Jukebox is a service organised at the cable headend from a computer-controlled rack of electronic equipment and videodisc players. It can be provided in a non-interactive form (in which it was launched on the Coventry system in November 1987) with a pre-determined play schedule of music videos. But it can also be interactive, with the play schedule responding to the requests of viewers relayed from their television remote control via the cable system's return path (in which form the service was launched on the Ealing system in February 1988).



CABLE NEWS NETWORK

CNN International Sales Ltd., 25/28 Old Burlington Street, London W1X 1LB.
Telephone: 01-434 9323 Telex : 269169 Fax : 01-734 6141

Nature of service: Television news 24 hours a day, supported by advertising and charges to operators.

Principal shareholder: Turner Broadcasting System Inc, One CNN Center, Atlanta, Georgia, USA.

Directors: R E "Ted" Turner (Chairman), Terry McGuirk, Robert W. Ross, Paul Beckham, Amanda Seward.

Senior staff: *Managing Director* Robert W. Ross, *Sales and Marketing Director Southern Europe* David Garland, *Sales and Marketing Director - Northern Europe* Tim Heath, *General Counsel* Amanda Seward.

Distribution: European-wide, transmitted via the Intelsat V satellite. Carried on every operational cable franchise in the UK and on some SMATV systems.

CNN International began transmissions to Europe on 16th September 1987. It is the specially tailored European service of CNN, transmitted live from Atlanta, Georgia. The service has been notable during the year for its live coverage of the Iran-Contra hearings, including the sessions with Colonel Oliver North, and of the Washington summit between President Reagan and Mr. Gorbachev.

THE PROGRAMME PROVIDERS

**THE CHILDREN'S CHANNEL**

Starstream Ltd., 44-46 Whitfield St., London W1P 5RF.
Telephone: 01-580 6611 Telex: 28622 CHILD G Fax: 01-580 0560

Nature of service: children's programmes, supported by both charges to operators and advertising.

Principal shareholders: British Telecom (25%), DC Thomson (25%), Central Television (25%), Thames Television (25%)

Directors: Colin Browne (Chairman), Richard Dunn, Derek Hunt, Dan Maddicott, Marshall Stewart, Christopher Thomson, Richard Wolfe

Senior staff: *Chief Executive* Richard Wolfe, *Head of Programming* Dan Maddicott, *Head of Advertising Sales* David Harrison, *Head of New Business Development* Peter Faure.

Distribution: United Kingdom and Northern Europe, transmitted via the Intelsat V satellite. Carried on every operational cable franchise and most upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 142,030.

The Children's Channel began transmissions on 1st September 1984. It transmits for 10 hours a day, from 5am to 3pm. The Channel makes a significant proportion of the programmes it shows and has sold some of its programmes to others. Make Music Fun was sold to Channel 4, and Bob's Your Uncle, Bits and Pieces, Alphabet Game, Magic Corner, and Jack in the Box have been sold overseas.

**HOME VIDEO CHANNEL**

The Premiere Partnership, PO Box 2AD, 6/7 D'Arblay Street, London W1A 2AD.
Telephone: 01-434 0611 Telex: 269105 PREMIER G Fax: 01-434 1507

Nature of service: a wide selection of modern films, supported by charges to cable operators and with facility for local advertising to be inserted.

Principal shareholders: Maxwell Communications (30%), BT Vision (30%), Home Box Office, Viacom, 20th Century Fox, Columbia Pictures.

Directors: Peter Laister (Chairman), Nick Bingham, Patrick Cox, Bryan Cowgill, Roy Faibish, George Krieger, Brian Lawrence, Philip Nugus, Adam Singer, Jim Warner, Andrew Wren.

Senior staff: *Chief Executive* Philip Nugus, *Marketing Director*: Jonathan Martin, *Sales Director*: Michael Mercer, *Director of Acquisitions*: Jean Young, *Financial Director*: Andrew Wren, *Technical Director*: Mike Tooms.

Distribution: United Kingdom and Eire, distributed on videotape to cable operators. Carried on every operational cable franchise and on some upgrade systems in the UK.

Home Video Channel began operations as a non-premium film channel on 1st September 1985. It runs for about 12 hours every day, showing a selection of modern films for all tastes. About 19 new films are shown every month and they are then rescheduled to give viewers ample opportunity to see each one.

**SCREENSPORT**

Screen Sport Ltd., The Quadrangle, 180 Wardour Street, London W1V 4AE.
Telephone: 01-439 1177 Telex: 265871 Fax: 01-439 1415

Nature of Service: sports programming, supported by advertising and sponsorship and a charge to operators

Principal shareholders: W.H. Smith Ltd (91%), ABC (7%), ESPN

Directors: A.E. Singer (Chairman), FSK Baron, A.P. Brilliant, J. Haines, WBI Jamieson, RS Price.

Senior staff: *Managing Director* Francis Baron, *Director of Programmes* George Black, *Marketing Director* David Hickling, *External Relations Director* Chris Howland, *Financial Controller* Nick Humby

Distribution: United Kingdom and Northern Europe, transmitted via the Intelsat V Satellite. Carried on every operational cable franchise and most upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 117,714, with the total throughout Europe being almost one million.

Screensport began transmissions on 29th March 1984. It carries a wide variety of sports programmes, from the major events of mainstream sport to minority sports. Live coverage of international events has become a feature and during the year these have included the US Open Tennis, the Indianapolis 500 motor racing, the US Open, PGA and Augusta Masters golf tournaments and the Superbowl. During the year Screensport launched a French soundtrack to the service, turning the channel into TV Sport on French cable systems and subsequently a German soundtrack for cable audiences in Germany.



INDRA DHNUSH

Cabletel Communications Ltd.,
Fieldway, Bristol Road, Greenford, Middlesex. UB6 8UN.
Telephone : 01-575 9000 Telex : 8950511 Fax : 01-575 8666

Nature of service: Hindi films and television programmes

Principal shareholders: Ladbroke Group (70%), Comcast Corporation (20%), Legal and General (5%).

Senior staff: *Chief Executive* R. Christopher Yates

Distribution: by videotape to four cable franchises in the United Kingdom

Indra Dhnush launched in May 1986 and transmission hours are from 9am to 1am. The programming is predominantly films and television programmes in Hindi but also in Punjabi, Gujarati and Urdu. In early 1988 Cabletel began to produce a number of Hindi programmes for the channel in their headquarters in Greenford.



SKY CHANNEL

Satellite Television plc, 31-36 Foley Street, London W1P 7LB.
Telephone : 01-637 4077 Telex : 268395 Fax : 01-499 1656

Nature of service: general entertainment, supported by advertising and sponsorship.

Principal shareholder: News International plc (89%)

Directors: Sir James Cruthers (Chairman), D. Berriman, J. Jackson, D. Montgomery, K.R. Murdoch, W. O'Neill, Lord Romsey, M. Ruda, R. Searby, J. Styles

Senior staff: *Managing Director* Jim Styles, *General Manager* Malcolm Darbyshire, *Head of Programme Development* Gordon French, *Controller of European Development* Malcolm Tallantire, *Director of Sales* Mike Whittington, *Financial Controller* Paul le Druillenec, *Technical Services Manager*, Norman Keers, *Head of Press and Publicity* Fiona Waters, *Controller of Programme Acquisitions* Jeremy Boulton.

Distribution: Europe-wide, transmitted via the Eutelsat ECS-1 satellite. Carried on almost every cable system in the UK and Europe. UK cable subscribers on 1st April 1988 numbered 254,835, with 12 million homes throughout Europe.

Sky Channel launched simply as "Satellite Television" on 26th April 1982, using the OTS satellite, and was therefore the first European satellite television channel. It transferred to the ECS-1 satellite and was renamed in 1984. Its programming is a mix of drama and action series, comedy, sport, movies, children's shows and pop music, with headline news provided by The Times and current affairs and documentaries. In June 1988, Mr Rupert Murdoch announced that News International would be expanding its satellite television interests under the banner name Sky Television. In addition to an enhanced Sky Channel 1989 would see the launch via the Astra satellite of Sky News, Sky Movies and Eurosport.



Vision House, 19/22 Rathbone Place, London W1P 1DF.
Telephone : 01-631 5050 Telex : 266710 SUPER G Fax : 01-631 5255

Nature of service: general entertainment, supported by advertising and sponsorship.

Principal shareholders: Virgin Broadcasting (25%), Granada Television (20%), TVS (10%), Yorkshire Television (12%), Anglia Television (5%)

Directors: Robert Devereux (Executive Chairman), James Gatward, Paul Kempton, Erik Krogager, Clive Leach, Charles Levison, David McCall, David Plowright, Mike Schlagman, Tim Wootton.

Senior staff: *Executive Chairman* Robert Devereux, *Director of Business Affairs* Paul Kempton, *Director of Commercial Services* Erik Krogager, *Head of Programming* Michael Roles, *Director of Advertising Sales* Mike Schlagman

Distribution: Europe-wide, transmitted by the Eutelsat ECS-1 satellite. Carried on every operational cable franchise and many upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 131,788, with 11 million homes throughout Europe.

Super Channel was launched on 29th January 1987. It transmits for 20 hours a day with programmes provided by the BBC, ITV and Music Box and a nightly news programme from ITN. Some programmes are made in Dutch or German with English subtitles.



LIFESTYLE

Lifestyle Television Ltd., The Quadrangle, 180 Wardour Street, London W1V 4AE.
Telephone : 01-439 1177 Telex : 265871 MONREF Fax : 01-439 1415

Nature of service: women's daytime programmes, supported by advertising and a charge to operators.

Principal shareholders: W. H. Smith Ltd (75%), DC Thomson, TV South, Yorkshire Television

Directors: FSK Baron (Chairman and Managing Director), A. D. Brook, J. Haines, WBI Jamieson, CW Leach, DB Thomson.

Senior staff: *Managing Director* Francis Baron, *Director of Programmes* George Black, *Marketing Director*, David Hickling, *External Relations Director* Chris Howland, *Financial Controller* Nick Humby.

Distribution: United Kingdom and Northern Europe, transmitted via the Intelsat V satellite. Carried on every operational cable franchise and most upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 118,722, with the total throughout Europe being nearly 1 million.

Lifestyle began transmissions on 30th October 1985 and was relaunched in November 1987 with a new look, a new philosophy and longer transmission hours (9am to 3pm). Regular weekday programmes – presented by David Hamilton – include travel, wildlife, keep fit, fashion, cookery, drama series and films. Weekend Lifestyle has a rather different identity, catering for all the family.



MTV EUROPE

Centro House, 20-23 Mandela Street, London NW1 ODU.

Telephone : 01-383 4250 Telex : 929580 MTV G Fax : 01- 388 2064

Nature of service: 24 hour pop music

Shareholders: Mirror Group Newspapers (50%) British Telecom, (25%) Viacom International Inc. (25%)

Senior staff: *Managing Director* Mark Booth, *Finance Director* Phil Callaghan, *Director of Network Development* Monica Dodi, *Executive Producer* Anne Newcombe, *Advertising Director* Zed Zawada, *Director of Press and Public Relations* Christine Gorham;

Distribution: United Kingdom and Northern Europe, transmitted via the Intelsat V satellite. Carried on every operational cable franchise and many upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 99,542.

MTV Europe began transmissions on 1st August 1987. Its service is based on pop music and youth culture and grew out of the success of the MTV channel in the United States.



PREMIERE

The Prem1ere Partnership, PO Box 2AD, 6/7 D'Arblay Street, London W1A 2AD.

Telephone: 01-434 0611 Telex : 269105 PREMIER G Fax : 01-434 1507

Nature of service: premium movie channel, paid for by subscription and containing no advertising.

Principal shareholders: Maxwell Communications (30%), BT Vision (30%), Home Box Office, Viacom, 20th Century Fox, Columbia Pictures.

Directors: Peter Laister (Chairman), Nick Bingham, Patrick Cox, Bryan Cowgill, Roy Faibish, George Krieger, Brian Lawrence, Philip Nugus, Adam Singer, Jim Warner, Andrew Wren.

Senior staff: *Chief Executive* Philip Nugus, *Marketing Director:* Jonathan Martin, *Sales Director:* Michael Mercer, *Director of Acquisitions:* Jean Young, *Financial Director:* Andrew Wren, *Technical Director:* Mike Tooms.

Distribution: United Kingdom and Eire, transmitted via the Intelsat V satellite. Carried on every operational cable franchise and most upgrade and SMATV systems in the UK. UK cable subscribers on 1st April 1988 numbered 98,001

Prem1ere began transmissions on 1st September 1984. It transmits for 12 hours a day, showing recent movie releases from the major studios. Approximately 19 new films are shown every month and are then given repeat showings over a six month period.

CABLE AT THE GRASS ROOTS

One of the many advantages of cable is its ability to transmit local programmes. No other television medium can address itself to the local community in the way that cable can. Already there is a strong backbone of local programming on cable television in the UK.

In its simplest form, a channel can offer local news, information and advertising in text form – a complete channel being devoted to a series of pages similar to Ceefax or Oracle, but available for reception by every cable viewer, whether they have a teletext set or not. Technical development of the equipment used to create such pages allows cable operators to include colour pictures with the same quality of reproduction as if from a normal TV camera. On Windsor TV, for example, Arcade presents a mixture of local information using these techniques. In Milton Keynes, MKTV's Your Channel provides a similar service. Other places provide specialised text channels – for example, Eastside Cable in London's docklands provides a community noticeboard in text. In Glasgow, the Classified Advertising channel attracts a good audience, as does Swindon Cable's Bargain Basement feature which carries free advertisements for viewers' items under £25 for sale. In Westminster the interactive text service includes local news, community what's on and notices, plus the facility to order complete meals from local restaurants, purchase books, send for catalogues and shopping information and access British Telecom's Prestel network offering many thousands of pages of information to subscribers.

Cable television and radio programmes are more expensive to produce but various systems are showing what can be done. The diversity on local channels is considerable, with programmes covering everything from hairdressing to aeroplane modelling; from soccer to cookery. There are several news and news magazine programmes – Clyde News is Clyde CableVision's lunchtime and teatime bulletin, with the magazine News Plus several evenings a week. In Coventry, COLT-TV presents its nightly City Update with the help of journalists from the city's ILR station, Mercia Sound. In Croydon, the local newspaper, the Croydon Advertiser, provides the facilities for Croydon Today shown twice every evening, with an omnibus of reports at the weekend. Radio Thamesmead provides its listeners with regular reports of local news, with complete sports coverage on Saturday afternoons. In Milton Keynes, the text channel is augmented by the daily programmes of CRMK, a cable radio station offering a mixture of local information, interviews and gossip.

But local channels are far from just carriers of news. In a number of areas, viewers are encouraged to come in and make their own programmes, using facilities made available by their local operator. Scotland has proved a particularly fertile area for such efforts – viewers in Aberdeen have made programmes about the city and many of the interesting places surrounding it, and local organisations have contributed documentary programmes about their own areas of interest – including the local 'cavaliers and roundheads', and the Aberdeen Modellers Society. Glasgow drama and film groups have written, performed and produced both a ghost story and a half hour play, *Bridget* about the problems facing a handicapped woman living in a Glasgow housing scheme. And in the Garnock valley, viewers of the local SMATV system in Beith and Kilbirnie, Ayrshire, have been able to watch a video of the local gala day whenever they wish, simply by ringing their cable station and asking for the tape to be screened! Similar public access facilities are in use on a number of systems in England.

Swindon viewers enjoyed a 38 week run of the highly entertaining Homeshop TeleBingo Show, with its cheerful presenters Trevor Cribb and Debbie Brewer offering a variety of bargain items for viewers to buy from local retailers, in between prizewinning games of TV bingo. Croydon Cable's local channel, Crystalvision, running through the day with a blend of international, national and regional material, includes local sports coverage – for example CCTV's knockout Darts competition – a children's magazine Nicky & the Newshounds, and The Sharpshooters in which Crystalvision cameras followed a local reporter to Germany, where she spent some time with the Croydon Territorial Army on "Exercise Keystone".

As cable expands, more and more operators will be offering increasing amounts of local programming, enhancing the value of their service to their existing and potential customers.

The Authority was established by the Cable and Broadcasting Act 1984, which bestows on the Authority both its general functions and its duties in relation to its financial affairs. The principal activities of the Authority, reflecting the functions laid upon it by Parliament, are described on page 5 of this report.

The Authority is non-profit making but is expected to be self-supporting from the fees it charges for its licences and for applications for franchises. Such fees are the Authority's only means of raising revenue, and are fixed at its discretion.

Sections 18 to 21 of the Cable and Broadcasting Act 1984 require the Authority to secure at the earliest practicable date that its revenues are sufficient to enable it to meet its obligations and to discharge its functions under the Act. Until that is practicable, the Authority receives loans from the Home Secretary – up to a maximum of £2 million – which are to be repaid with interest as directed by the Home Secretary.

The Authority reviews every year the level of the fees to be charged for the following twelve months. It does this taking account not only of its duty to be self-supporting but of its other statutory duty to exercise its licensing functions in the manner best calculated to promote the provision of services by cable. During the year, the Authority followed its previous practice of increasing fees in excess of the rate of inflation, but not to the point where revenues could be expected to cover its costs. The still small size of the cable industry limits the ability of the Authority to raise all the money it needs without placing unacceptably onerous burdens on a relatively small number of licensees.

The Authority's revenue during the year amounted to £395,000, compared with £277,000 in the previous year. The deficit for the year was reduced from £238,000 in 1986-87 to £197,000 in 1987-88, calculated before taxation and interest due on loans from the Home Office.

The Authority expects that the number of licensees will increase in the forthcoming year and that its revenues will increase as a result. However, the pace of development in cable is determined primarily by the decisions of the private sector about whether to make investment funds available and on what scale. For this reason, the Authority as a licensing body has limited scope for either ensuring or forecasting what the rate of development – and hence the Authority's own income – will be. The Authority will continue the activities required by Act of Parliament.

The Members of the Authority, as appointed by the Home Secretary, are set out at the beginning of this report. There were no changes during the year. The salaries of Members are determined by the Home Secretary but paid out of the Authority's funds.

The audited accounts for the year to 31 March 1988 are appended to this report.

BALANCE SHEET AT 31st MARCH 1988

	Note	1988		1987	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	9		129		154
Current Assets					
Debtors	12	31		74	
Cash at bank and in hand		<u>137</u>		<u>107</u>	
		168		181	
Creditors: Amounts falling due within one year	13	<u>(91)</u>		<u>(109)</u>	
Net Current Assets			<u>77</u>		<u>72</u>
Total Assets less Current Liabilities			<u>206</u>		<u>226</u>
Financed by:					
Provisions for Liabilities and Charges	14		12		8
Capital and Reserves					
Loans from the Home Office	15	1025		750	
Income and expenditure account		<u>(831)</u>	<u>194</u>	<u>(532)</u>	<u>218</u>
			<u>206</u>		<u>226</u>

The notes and statements on pages 34 and 35 form part of the accounts.

Richard Burton CHAIRMAN **Jon Davey** DIRECTOR GENERAL

REPORT TO THE CABLE AUTHORITY BY THE AUDITORS APPOINTED UNDER SECTION 20 (2) OF THE CABLE AND BROADCASTING ACT 1984.

We have audited the Accounts of the Authority on pages 31 to 35 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Authority at 31st March 1988 and of its results and source and application of funds for the year then ended and comply with the Cable and Broadcasting Act 1984.

London, 2nd June 1988

PEAT MARWICK MCLINTOCK
Chartered Accountants

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 1988

	Note	1988		1987	
		£'000	£'000	£'000	£'000
Income	2		395		277
Operating Expenses					
Staff costs	3	358		309	
Depreciation	2	38		37	
Other operating charges	3	211	(607)	180	(526)
Operating Deficit			(212)		(249)
Interest receivable	4		15		11
Deficit before Taxation and Interest Payable			(197)		(238)
Provision for taxation	5		(4)		(4)
Deficit before Interest Payable			(201)		(242)
Interest payable	2&6		(98)		(65)
Deficit for the Year			(299)		(307)
Deficit brought forward			(532)		(225)
Deficit carried forward			(831)		(532)

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st MARCH 1988

	1988 £'000	1987 £'000
Source of funds:		
Deficit before taxation and interest payable	(197)	(238)
Adjustment for items not involving the movement of funds:		
Depreciation	38	37
Provision for repairs	4	4
	(155)	(197)
Funds absorbed by operations		
Funds from other sources:		
Loans from the Home Office	275	350
Proceeds from sale of fixed assets	10	5
Application of funds:		
Purchase of fixed assets	(23)	(68)
Taxation paid	(4)	—
Interest paid to Home Office	(128)	(65)
	(25)	25
Components of increase/(decrease) in working capital:		
Debtors	(43)	(11)
Creditors: Amounts falling due within one year	(12)	(50)
Movement in net liquid funds:		
Increase in cash at bank and in hand	30	86
	(25)	25

NOTES TO ACCOUNTS

1. These accounts have been prepared in a form determined by the Secretary of State for the Home Department, with the approval of the Treasury in accordance with section 20 (1) of the Cable and Broadcasting Act 1984.

Accounting Policies

2. The following is a summary of the principal accounting policies which have been adopted in preparing these accounts.
- (a) The accounts have been prepared under the historical cost convention. The accounts comply with the Statements of Standard Accounting Practice issued by member bodies of the Consultative Committee of Accountancy Bodies, and, so far as appropriate, meet the requirements of the Companies Act 1985.
- (b) The income of the Authority consists of licence and application fees and is accounted for on the basis of fees statutorily due.
- (c) The amortisation or depreciation of tangible fixed assets is calculated on a straight line basis by reference to the cost and estimated useful lives. The rates of depreciation are as follows:-
- Expenditure on leasehold premises: over period of lease.
Motor vehicles: 25% per annum.
Furniture and equipment: 15% per annum.
Office computer equipment: 20% per annum.
- (d) In accordance with H.M. Government practice, loans from the Home Office are treated as capital and the interest payable thereon is not shown as an operating expense.

Operating Expenses

3. Included in operating expenses are the following:

	1988 £'000	1987 £'000
Members' remuneration	58	56
Other remuneration	241	196
Social Security costs	26	25
Pension costs	33	32
Auditors' remuneration and expenses	3	3
Hire of equipment - operating leases	4	4
Hire of other assets - operating leases	48	48
Travelling and subsistence:		
Members	-	-
Staff	8	9

Interest Receivable

4. Interest receivable on short-term deposits
- | | | |
|--|----|----|
| | 15 | 11 |
|--|----|----|

Taxation

5. Apart from taxation on interest received the Authority is not liable to corporation tax.

Interest Payable

6. Interest on loans from the Home Office
(see note 15)
- | | | |
|--|----|----|
| | 98 | 65 |
|--|----|----|

Members and Employees

7. The remuneration of Members of the Authority excluding pension costs as determined by the Home Office was:

Chairman	26	25
Deputy Chairman	9	9
Other Members (in total)	23	22

The number of employees at the end of the year was 9. (1987-10).

The number of employees whose emoluments (excluding pension costs) exceed £30,000 fell within the ranges:

	1988	1987
£		
30,001 - 35,000	-	-
35,001 - 40,000	1	2
40,001 - 45,000	1	1

Pensions

8. The Authority operates a pension scheme designed to accord with recent trends and practices. Contributions are based on each member's pensionable earnings and are charged to income and expenditure account as payments are made. The scheme assets are funded completely independently of the finances of the Authority.

Tangible Fixed Assets

9.

	Total £'000	Short Leasehold Property £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Computer £'000
Cost at 1.4.87	210	65	55	33	57
Additions in year	23	—	—	23	—
Disposal in year	(18)	—	—	(18)	—
Cost at 31.3.88	215	65	55	38	57
Amortisation/ Depreciation at 1.4.87	56	16	16	12	12
Provided in year	38	8	8	11	11
Eliminated on disposal	(8)	—	—	(8)	—
Depreciation at 31.3.88	86	24	24	15	23
Net book amount at 31st March 1988	129	41	31	23	34
Net book amount at 31st March 1987	154	49	39	21	45

Operating Leases

10. At 31st March 1988 the Authority had annual commitments under non-cancellable operating leases as set out below:

	1988		1987	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases which expire: within one year	—	—	—	—
in the second to fifth year inclusive	48	10	48	4
	<u>48</u>	<u>10</u>	<u>48</u>	<u>4</u>

Capital Commitments

11. There were no capital commitments outstanding (1987 - nil)

Debtors

	1988 £'000	1987 £'000
12. Debtors consist of:		
Debtors for fees	5	51
Other debtors	2	2
Prepayments	24	21
	<u>31</u>	<u>74</u>

Creditors - amounts falling due within one year

	1988	1987
13. These consist of:		
Other creditors & accruals	78	95
Social Security and PAYE income tax	9	10
Income tax on interest received	4	4
	<u>91</u>	<u>109</u>

Provisions for Liabilities and Charges.

	1988	1987
14. Provision for leasehold repairs and renewals		
Balance at 1st April 1987	8	4
Charge for the year in the income and expenditure account	4	4
Balance at 31st March 1988	<u>12</u>	<u>8</u>

Loans

15. Loans from the Home Office are as follows:

Date Advanced	Interest Rate per annum %	£'000
1. 3rd December 1984	10.875	50
2. 25th March 1985	11.875	25
3. 6th June 1985	11.375	100
4. 7th November 1985	10.625	125
5. 21st January 1986	12.000	100
6. 2nd May 1986	8.625	87
7. 16th June 1986	8.625	88
8. 7th October 1986	11.500	87
9. 9th December 1986	11.500	88
10. 21st April 1987	9.375	75
11. 26th June 1987	9.125	100
12. 6th November 1987	9.250	50
13. 17th December 1987	9.375	50
		<u>1025</u>

The above loans were provided by the Secretary of State for the Home Department with the consent of the Treasury under section 19 (1) of the Cable and Broadcasting Act 1984. The repayment dates are subject to discussion and agreement with the Home Office after consultation with the Treasury. The aggregate amount outstanding by way of principal advanced may not, under section 19 (2) of the Cable and Broadcasting Act 1984, exceed £2 million.

A CABLE GLOSSARY

Access channel. A channel that the cable operator makes available for use by anyone with something to say or present (community groups, individuals, etc.) usually – through not necessarily – with facilities made available free of charge by the operator.

Addressability. The facility by which the subscriber's home equipment may be controlled remotely by the cable operator, in order to allow disconnection, the provision of pay-per-view, or changes in the level of service.

Bandwidth. Part of the frequency spectrum; that part of the spectrum required for a specific purpose; eg a television channel occupies a bandwidth of 8 Megahertz whereas a telephone conversation utilises only 4 kilohertz.

Basic service. The service obtained by a cable subscriber paying the minimum charge. It will normally comprise the broadcast services plus a range of other "free" channels. A "basic channel" is one included in the basic service.

Bird. Colloquial description of a satellite.

Bit. Unit of measurement of data transmitted in digital form. Hence the measurement of the capacity of a cable system to carry information will be in terms of Kilobits or Megabits per second (Kbits/s. Mbits/s).

Broadband. Cable with the capacity to carry a large number (eg 25 or more) television channels. Interchangeable with wideband.

CATV. Community antenna television. A cable system covering a whole community, eg a town.

Churn. Turnover of subscribers/cancellation of subscriptions. Usually quoted as a percentage rate.

Closed user group. Cable channel available only to a specific group of subscribers.

Coaxial cable. Cable consisting of a central conductor (usually copper) surrounded by, and insulated from, another conductor. It is the standard material used in present-day cable systems. Signals are transmitted through it at different frequencies, giving greater channel capacity than is possible with twisted pair cable but less than is allowed by optical fibre.

CTA. Cable Television Association. The United Kingdom trade association.

DBS. Direct broadcasting by satellite. The use of a satellite to transmit high-power television signals for reception direct by individual viewers, though such services will also be carried on cable systems.

Downlink. The transmission from a satellite to an earth station.

Downstream. The direction of signals transmitted from the cable headend to the subscriber.

Drop. The cable connection from the street in to the subscribers' premises. The term is sometimes (but not always) confined to those subscriber connections from overhead rather than underground cable.

DTH. Direct to home. Used to denote satellite signals received by an individual viewer via a dish aerial, as distinct from via a cable system.

Earth station. Transmitting or receiving point for satellite transmissions.

ECS. European Communications Satellite. A series of satellites operated by Eutelsat. The first of the series, ECS1, carries nine European television channels distributed to cable systems, including two British channels (Sky Channel and Super Channel).

Footprint. The earth coverage area of a transmission from a satellite. Like a torch beam, the strength of the signal will weaken the further one moves from the centre, but this can be compensated for by using a larger receiver (for example, a cable system receiving Sky Channel in England will use a 3 metre dish; in Finland a 5 metre dish will be necessary).

Franchise. The right to install and operate a cable system in an area of more than 10,000 homes, bestowed by the licences granted by the Authority and by the Department of Trade and Industry.

FSS. Fixed service satellite. A term used for a satellite in a fixed orbital position providing telecommunications services. Also called low powered satellites or telecommunications satellites. In contradistinction to DBS.

Gigahertz. (GHz). Frequency of one billion cycles per second. These higher frequencies have not so far been used for broadcasting purposes but they can be utilised for satellite television transmissions. The 12 GHz band to be used for DBS has previously been allocated to outside broadcast microwave links.

HDTV. High definition television. A clearer sharper picture using considerably more lines than the present 625. Cable systems already have capacity to carry such services when they are introduced.

Headend. The control centre of a cable system.

Hertz. The unit of frequency of electromagnetic waves (cycles per second) (see also Gigahertz and Megahertz). "Hertzian" is sometimes used as a description of over-the-air transmissions, as opposed to cable.

Homes passed. The expression in common usage as the measurement of the size of a cabled area, meaning the total number of premises which have the potential to be connected to the cable system.

Hubsite. An intermediate control point in a switched cable system between the headend and the local switching point. In systems provided by BT, it is planned to locate hubs within each local telephone exchange.

Infomercial. A long-form advertisement designed to give information about products or services.

Interactivity. The facility for two-way communication, though the sophistication of the interactive capability may vary depending on the technology used in the cable system.

Leased access channels. A category of cable channel (particularly in USA) made available by the local operator on a commercial basis rather than as a free community service, as will normally be the case with access channels.

Local avail. The availability within a national channel of slots for the insertion at cable systems of local advertising.

MATV. Master antenna television. A cable system confined within a block of flats, small housing development etc, served by a common aerial. In contradistinction to CATV.

MDS. Multipoint distribution service. A television distribution system to subscribers using omnidirectional microwave transmissions (sometimes now called MMDS, with an additional M for microwave or multichannel, or MVDS with a V for video). It depends on line of sight between transmitter and aerial and has a range of about 10-20 miles. It has grown in the USA as a new medium for pay television. It has not so far been authorised by the UK Government.

Megahertz. (MHz). Frequency of one million cycles per second.

Microwave. Wireless transmissions at very high frequency as a means of providing telecommunications like (including television distribution) between two places. Depends on line of sight. Operated in the UK by British Telecom and Mercury. See also MDS.

MSO. Multiple systems operator. A cable operator running a number of different cable systems.

Must-carry. The obligation on cable systems to carry certain channels, usually the broadcast services.

Narrowband. Sometimes used to distinguish cable from broadcasting. More particularly, the function of distributing a range of television channels or programmes designed to meet various minority interests rather than to offer mass appeal.

NCTA. National Cable Television Association. The representative industry body of the USA.

New build. Cable system installed in area not previously cabled. A term used to distinguish new systems, or parts of systems, from upgrades.

OFTEL. Office of Telecommunications. The licensing and monitoring body established by the Telecommunications Act 1984, headed by the Director General of Telecommunications (Professor Bryan Carsberg).

Off-air. Normal broadcast television signals. A term often used to distinguish aerial reception from cable reception, or broadcast channels (BBC, ITV, etc) from cable channels.

Optical fibre. Cable made of glass fibres through which signals are transmitted as pulses of light. Capacity for a very large number of channels can easily be provided. Not yet widely used in cable systems.

Penetration. The measurement of the take-up of cable services. The number of subscribers is expressed as a percentage of the homes passed.

PPV. Pay per view. Payment made for individual cable programmes as opposed to a monthly subscription for a whole channel or group of channels. Not currently used in the UK, but envisaged as a means of providing certain popular sporting events or blockbuster movies for which subscribers may be prepared to make a special payment. Cannot very effectively be done on an old-fashioned cable system but is straightforward with a system providing control of each subscriber's services from the headend (addressability).

Premium channel. Channel available only for additional subscription over and above the basic service.

Programme provider. Company assembling programmes into a service to be provided to cable systems.

Return path. The means by which messages are transmitted back through the cable system from the subscriber to the headend.

SMATV. Satellite master antenna television. An MATV system with a receiving dish for picking up and distributing satellite television signals. Any system of up to 10,000 homes which may be licensed without the competitive franchising procedure.

Star switched system. New generation of cable system in which full bandwidth is provided from the headend to local switching points which are programmed to supply each subscriber, through an individual line of lower bandwidth, with whichever channels he pays for. Channel selection then takes place at the switch, rather than in the TV set or set-top box, but in response to the subscriber's operation of his remote control. Such systems have greater interactive capability.

Strand mapping. Preparation of preliminary maps prior to the detailed system design showing the likely route of cable ducting. So called from USA usage, where the strand is the wire support for overhead cable strung between poles.

Subscription channel. A channel for which the subscriber pays a specific subscription over and above the charge for the basic service.

Tap. The feed off a main cable (usually in tree and branch system) to the subscriber's 'drop'.

Tier. A level of cable service depending on the amount of the subscriber's payment. It reflects the packaging of channels at different prices.

Transponder. A transmitter on a satellite.

Tree and branch. Topology of one type of cable system, of traditional design. It comprises a trunk cable from which each subscriber link is tapped off. Because all parts of the system carry the totality of the services provided, it is difficult to build much interactive capability in to such systems.

TVRO. Television receive only. The dish for receiving satellite television signals.

Twisted pair. Type of cable used extensively in British cable systems in the past, comprising twisted pairs of wires each carrying one channel. Most systems of this kind have capacity for four television channels; some have six, none have more.

Upgrade. An old cable system installed for broadcast relay purposes but now utilised for the provision of new programme services.

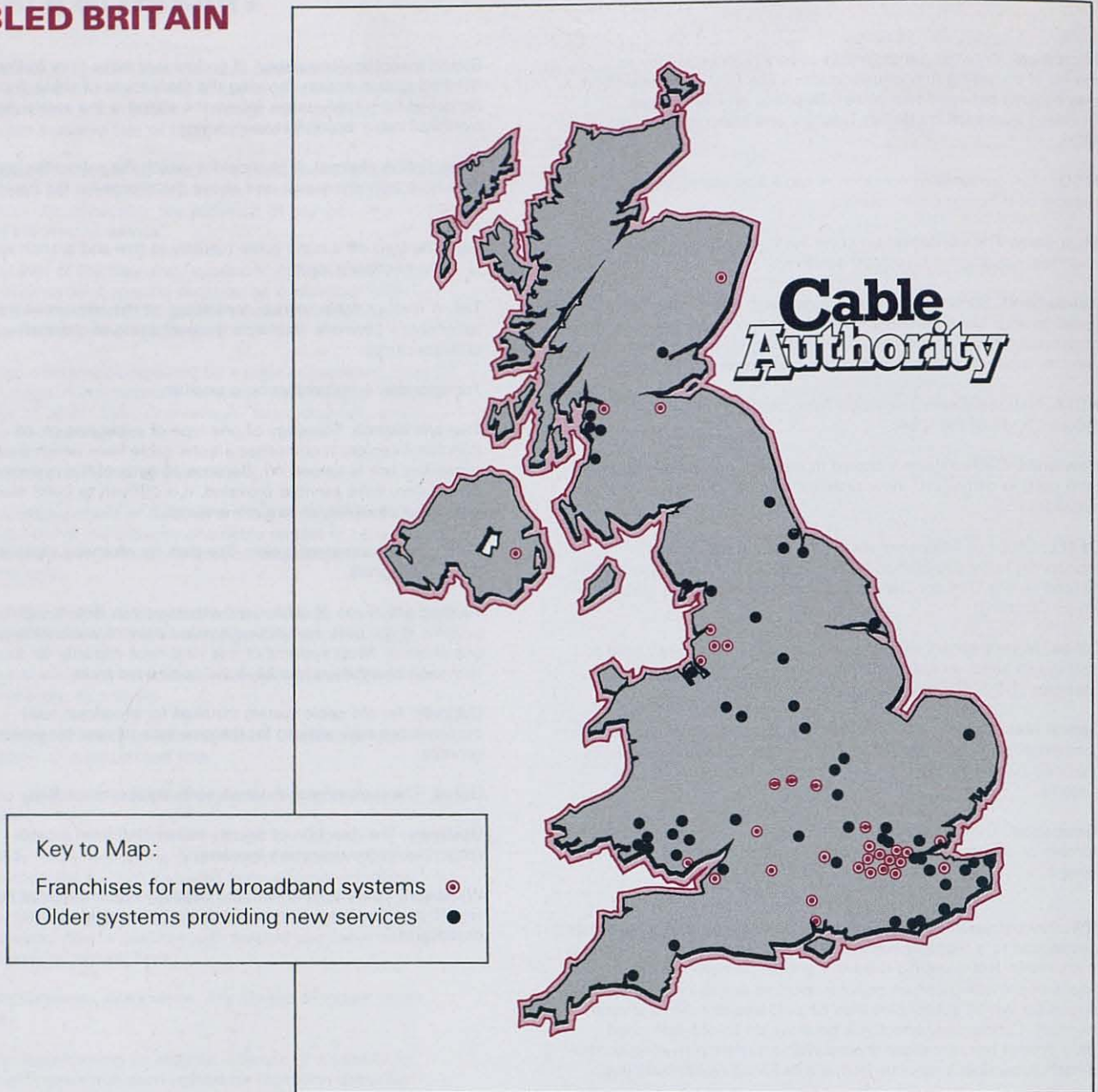
Uplink. The transmission from an earth station to satellite.

Upstream. The direction of signals transmitted from a cable subscriber to the operator's headend.

Wideband. Cable system with the capacity to carry a large number (eg 25 or more) television channels. Interchangeable with broadband.

**Cable
Authority**

CABLED BRITAIN



Key to Map:

- Franchises for new broadband systems ○
- Older systems providing new services ●

PRINCIPAL UPGRADE AND SMATV OPERATORS

British Cable Services Ltd.
Southern House
1-4 Cambridge Terrace
Oxford OX1 1UD
Tel: 0865 250110
(Former Rediffusion systems in many towns around England and Wales)

B.T. Vision
Euston Tower
286 Euston Road
London NW1 3DG
Tel: 01-728 8000
(Barbican, Bracknell, Irvine, Milton Keynes and Washington)

Cable and Satellite Television Holdings Ltd.
Unit 2
Dorcan Business Village
Murdock Road
Swindon SN3 5HY
Tel: 0793 611176
(Chatham, Rochester, Sittingbourne, Herne Bay and Neath)

Cable Television Ltd.
Forsyth Road
Sheerwater
Woking
Surrey GU21 5SB
Tel: 0486261861
(Northampton)

Cablecom Investments Ltd.
RAF Lakenheath
Brandon
Suffolk IP2 79PL
Tel: 063881 2517
(SMATV systems at USAF bases in England)

Greenwich Cablevision Ltd.
Tex House
62 Beresford Road
Woolwich London, SE18 6BH
Tel: 01-316 1200
(Woolwich and Plumstead)

CABLE TOWNS IN THE UNITED KINGDOM

Key to Index

ABERDEEN Franchise in operation
ACCRINGTON Franchise not yet operating
(BIRMINGHAM) Franchise under consideration
Ashford Upgrade system
Aylesbury SMATV licence granted

N.B. Upgrade and SMATV systems are unlikely to cover the whole of the area concerned.

- ABERDEEN**
ACCRINGTON
 Alconbury
ALDERSHOT
ANDOVER
 Ashbury, Wilts.
Ashford, Kent
ASHFORD, BERKS
 Aylesbury
BACUP
 Bangor
Barbican
Bargoed
(BARKING)
(BARNET)
Barrow-in-Furness
(BASILDON)
Basildon
(BASINGSTOKE)
(BATH)
 Beaconsfield
Beith
BELFAST
 Belfast
(BENFLEET)
 Bentwaters
(BEXLEY)
 Bicester
(BILLERICAY)
Billingham
(BIRMINGHAM)
 Birmingham
BLACKBURN
Blaenavon
Blaneau
BOLTON
(BRACKNELL)
Bracknell
(BRENT)
(BRENTWOOD)
Brighton
(BRISTOL)
Bristol
BURNLEY
Burnley
 Burton Wood
CAMBERLEY
CAMDEN
Canterbury
(CANVEY ISLAND)
CARDIFF
(CHATHAM)
Chatham
(CHELMSFORD)
CHELSEA
CHELTENHAM
- Chicksands*
(CHIPPING SODBURY)
CHORLEY
(CLEVEDON)
CLYDEBANK
COLNE
COVENTRY
Croughton
CROYDON
Cwm (Blaenau)
(DAGENHAM)
Deal
Dover
EALING
 Eastbourne
 East Dean
Ebbw Vale
EDINBURGH
Exeter
Fairford
Fairlie
FARNBOROUGH, HANTS
FARNHAM
Feltwell
Ffairfach
FLEET
Folkestone
(FROME)
(FULHAM)
Gateshead
(GILLINGHAM, KENT)
Gillingham, Kent
GLASGOW (NORTH)
GLOUCESTER
Glynneth
GODALMING
(GRAVESEND)
GUILDFORD
(HAMMERSMITH)
Hartlepool
HASLINGDEN
Hastings
Hatfield
HEATHROW
Hebburn
(HENLEY)
Herne Bay
(HIGH WYCOMBE)
Houghton Regis
Hove
Hull
Hythe Marina Village
Irvine
KENSINGTON
Kilbirnie
- Kingston-upon-Hull**
Lakenheath
Lancaster
Largs
Leicester
LEYLAND
LIVERPOOL
Llandeilo
LUTON
Luton
Lymington
MAIDENHEAD
Maidens Green
(MAIDSTONE)
Maidstone
Mansfield
(MARLOW)
MELKSHAM
Merthyr Tydfil
Middlesbrough
Mildenhall
Milton Keynes
(NAILSEA)
Neath
NELSON
Newbridge
(NEWBURY)
Newcastle-under-Lyme
Newcastle-upon-Tyne
NEWHAM
Newtonards
Newton Powys
(NORTHAMPTON)
Northampton
Norwich
Nottingham
Ocean Marina Village
(Southampton)
Oxford
Pembroke Dock
PENARTH
Penbryn
Perth
Plumstead
Plymouth
Pontardawe
Pontypool
Pontypridd
(PORTISHEAD)
Port Talbot
PRESTON
Princes Risborough
Rawmarsh
RAWTENSTALL
(RAYLEIGH)
- (READING)**
Reading
(REDBRIDGE)
Resolven
Rhondda
Rhosmaen
(ROCHESTER)
Rochester
Rotherham
Salop
Saltcoats
Saxmundham
Sculthorpe
(SITTINGBOURNE)
Sittingbourne
SLOUGH
(SOLIHULL)
SOUTHAMPTON
Southampton
(SOUTHEND-ON-SEA)
South Tyneside
St. Ives
Smethwick
STAINES
(STANFORD LE HOPE)
STANWELL
Stevenage
Stockton-on-Tees
Stoke-on-Trent
Strood
Swansea
SWINDON
Telford
Thanet (Isle of)
(THATCHAM)
(THORNBURY)
TOWER HAMLETS
Tredegar
(TROWBRIDGE)
Upper Heyford
WANDSWORTH
(WARMINSTER)
Washington
Wellingborough
Welwyn Garden City
(WESTON-SUPER-MARE)
WESTMINSTER
Wethersfield
(WICKFORD)
WINDSOR
Wirral
WOKING
(WOKINGHAM)
Wolverhampton
WOODBRIIDGE
Woolwich
Worcester