

Auntie's Dying: Long Live Public Service Broadcasting

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The authors

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Lord Reith conceived public service broadcasting as we know it today and helped establish the BBC as a means to spread that noble concept throughout the world. It is inconceivable that if he and other forefathers of broadcasting were starting again today they would invent the same structure.

Because public service broadcasting is paid for by a poll tax licence fee the BBC feels compelled to spend most of this money in delivering entertainment which by no stretch of the imagination could be thought of as public service broadcasting. While drawing an exact line between public service broadcasting, and other forms of entertainment is a difficult task, many friends of the BBC would judge most of its output to be outside its remit as a public service broadcaster.

Public service broadcasting is too important to be left largely in monopoly hands. Now is the time to free the glory of this idea from BBC shackles.

Here we make the case for change which is inexorably linked to the ongoing technological revolution that has expanded the means by which broadcasts can be received. This technology has also changed who can be the broadcaster.

This most fundamental change since the establishment of the BBC in 1927 can only be achieved safely over a longish period of time. But often the essential stage in any journey are the initial steps. Our aim is to preserve and build upon the ethos of public service broadcasting through a new body, and give it a greater flexibility through more not fewer outlets. We believe that it is crucial to begin debate between now and the General Election on the need to break the link between the shape of today's BBC, its monopoly receipt of the licence fee, and the delivery of public service broadcasting.

The BBC will remain at the heart of our public service broadcasting, indeed it would only gain revenue tied to this objective, but it would, like any other interested broadcasters, have to pitch ideas for content to an independent commissioning corporation, which would command the license fee.

The new body would carry a name that would make very clear its purpose. And we suggest something like the Public Service Broadcasting Corporation (PSBC). As it could only finance PSB it would need considerably less revenue than the BBC currently spends and we would therefore expect the cost of the license to fall significantly.

The scope and remit of the PSBC would be to safeguard provision of existing PSB, to protect such content in the threatened areas, such as in news broadcasting and encourage the best new content to flourish, regardless of by whom it is created.

Breaking the BBC's natural right to all license fee revenue will see a transformation of the service as we now know it and would probably result in a slim lined but a clearly PSB-focussed structure. BBC channels One and Three would be put up for sale or merge with existing commercial channels when market conditions were favourable. These two 'new' stations would, like all other TV channels, be able to bid for public broadcasting revenue to finance specific outputs that met the public broadcasting criteria. Likewise, BBC Radio One and Two would be offered for sale or merger at a suitable point in time which would maximise funds for licence fee contributors.

The BBC would then return to a more focussed and enhanced Reithian conception. BBC Two and Four, Radio Three and Four and the World Service would gain probably all their funding from public service broadcasting awards. The BBC's worldwide operations would similarly be judged as to whether they promoted public service broadcasting and would gain revenue and retain the right to trade thereby under the BBC name. All other

broadcasters across a range of outlets could bid for public broadcasting money to finance programmes that meet those criteria.

This new streamlined BBC would also develop into an archive service, where the huge range of excellent PSB content it has already produced can be accessed. It would also be a store for all future PSB, making it one of the best libraries in the country. Much like a public library, where excellent factual and cultural programming would line the shelves, with users being able to pick and choose material at whatever time it suits them.

The first stage of this revolution should begin by asking the public to help determine what they understand by public service broadcasting. As the web has played such a major role in bringing about this change, this public involvement must embrace the traditional as well as the web-based means of consultation.

The English-speaking world and beyond owes a huge debt to the BBC. The shape of British culture is in part a product of the public service ideal being applied to broadcasting. But outside events now ensure that in the long-run the BBC in its current form will not survive.

The BBC is dying. Long live public service broadcasting.

Purpose of this paper

Provision for Public Service Broadcasting (PSB) in the United Kingdom is known to be one of the strongest in the world. The quality, balance and scope stemming from a range of providers have until recently safeguarded the UK's position as the world leader in driving PSB. But how safe is this position over the long term with demands to share the license fee revenue with other channels on a quite arbitrary basis? Will the poll tax that finances the BBC be defensible a decade hence? And what is to happen to other broadcasters that offer PSB content as part of their license agreement?

This discussion paper takes an independent view of existing arguments and evidence in relation to the evolution and remit of PSB, and asks how we might equip the broadcasting industry to maintain their grasp and relevance in this quickly-evolving medium.

Defining what we might mean and expect from a Public Service Broadcaster is central to deciding which direction these services might take in years to come. To maintain a focus, this paper will focus on the following questions:

- On what concepts was the idea of PSB founded? In what ways has the concept of PSB changed over time, and is it possible to arrive at a definition for PSB in 2009?
- To what extent does the current PSB provision adhere to these ideals?
- Do recent recommendations from OFCOM's recent reviews of PSB take full account of the deep shift in the physiology of broadcasting that is ushered in by advancing online/digital infrastructures? Are its recommendations about the funding of PSB realistic for these very different future audiences? Is there a model which might suit the coming era that will be characterised by budget cuts and reduced spending in the public sector?

The British PSB Ethos

The establishment of the idea of broadcasting being for the public good was not the arbitrary outcome but was a natural consequence of the technical developments that made the first radio broadcasts possible.

The limited spectrum of frequencies upon which radio broadcast was available and questions on how such a system might be financed ushered in the need for government intervention in the development of the emerging medium.

The way in which this practical necessity for regulation developed into a rich and respected creative tradition has a huge amount to do with the government committees that have met regularly since 1923 to shape and guide the direction the PSB provision should take.

The first such committee, which met in 1923, under the chairmanship of Sir Frederick Sykes, was charged with defining what the purpose of broadcasting might be. Some had even at this early stage dismissed the utility of a medium sending messages out to unidentified recipients. Perhaps the most central pronouncement of the Sykes committee was that the available broadcasting frequencies should belong, in some part, to the people. The committee deemed it not in the interest of society for such a service to be placed at the mercy of the unopposed free commercial market.

Instead of opting for government control of broadcasting, the committee chose to give the Post Office the power to grant licences to any potential broadcasting station. The licence would set out the expectations and conditions to be met. This establishes the State's early provision to ensure broadcast technology served the people.

The interpretation of what form this service should take came from early broadcasters, and most notably from the BBC's first Director-General, John Reith.

The deliberations of the Sykes Committee were only designed as a short term contingency and when, in 1925, a committee was established to set a longer term plan, Reith was invited to speak.

It was in this brief statement that he laid out his vision for the scope and form the entirety of public service broadcasting would take in the years to come. In Reith's view, Broadcasters had a responsibility to:

- Not merely to provide entertainment but bring to the largest numbers of people as possible all that was the best in 'every department of human knowledge; endeavour, and achievement'.
- Preservation of a high moral tone, and avoid the vulgar and hurtful.
- Lead public taste rather than merely pander to its whims.
- Educate - using the medium to speed the spread of knowledge.

From these points the familiar "Inform, Educate and Entertain" maxim of PSB is derived. This constituted a true commitment to PSB as a cultural, moral, and educative force working to extend the frontiers of public knowledge, manners, taste and integrity. It was a service that had the potential to bring the nation together at moments of national significance, mourning or celebration and unify people from all backgrounds and areas of the country.

PSB Today - Maintaining Reith's Vision

The landscape of British Broadcasting would today be almost unrecognisable to the John Reith of the 1920s. The BBC no longer holds a monopoly on the airwaves, countless commercial radio stations supplement local and

national BBC services. Yet the introduction of television, online, digital and now video-on-demand services has not weakened the resolve of governments to ensure that a core element of provision is centred on providing far-ranging content in all fields of human endeavour.

But we believe that, over the coming decade, that DNA will be under a threat from a license fee revolt. Combined with technological developments, unless decisive reform is taken to protect this identity, the DNA may be destroyed.

Programming produced under the banner of PSB is arguably the best content on UK networks in almost all areas. Educational and informative programmes, drama and factual entertainment content goes hand in hand with the highly successful Proms concerts, World Service and BBC Website, the country's largest web-based resource. The Corporation's reputation stretches therefore far beyond the shores of the United Kingdom.

But this balance has already begun to change radically as the BBC feels it must participate in the numbers game in order to defend the license fee poll tax. The paradox is that the more it wages this cheque book war the greater the threat becomes to the license fee basis of finance which the cheque book war was meant to defend.

Guidelines from OFCOM's Reviews in 2004 and 2008 have provided us with an up-to-date view of the function and purpose of PSB, which is:

To deal with a wide range of subjects in a balanced diet of programming
To cater for the widest possible range of audiences
To maintain high standards of programme-making

The fulfilment of these purposes is taken to mean that PSB will:

Inform educate and entertain
Support a significant level of production outside London

And that the following types of programming will be supported:

Programmes that reflect UK cultural activity (through drama, comedy, arts, music and feature film)
News and current affairs (domestic and international)
Sport and leisure
Education
Science

Religion (including acts of worship)
Programmes addressing international and social issues
Children's programmes
Programming reflecting different communities, interest and traditions within the UK (including those of local communities in particular parts of the UK).

The reviews suggest that until recently the system has worked well, with the BBC providing the lion's share of this content with other providers adding breadth to what was available, which was supported by revenue from commercial advertising. The public were proud and satisfied with the service, and saw the payment of their license fee as excellent value for money. OFCOM notes, however, that in the rapidly-changing landscape of the broadcasting world, the present system cannot be maintained.

Reithian values in a digital age - Spreading the Gold

The OFCOM Reviews of PSB (available at www.ofcom.gov.uk/tv/psb_review) are very clear that the way we consume broadcast content in the UK is changing at a faster rate than ever before. Either we can sit idly by and do nothing and see what happens. Or we can be proactive and start to design how best to protect PSB in a world of what could be a significant dumbing-down of public service provision. OFCOM suggests that when imagining the future of PSB:

- The BBC must remain at the centre of any new initiative as it remains one of Britain's greatest institutions.
- Certain genres of programming are more threatened than others by the changing nature of media consumption. Those areas most at risk are regional news, hard factual documentaries, high-end drama, arts and religion.
- Channel 4 provides a good range and balance to PSB content, but its future is not secure under present funding models.

- ITV and Channel 5 might be best freed from their public service commitments allowing them to pursue content more likely to return a profit, most notably soaps, football and reality television.

We see dangers in the OFCOM approach. The report attempts to account for and safeguard all the main players. That should not be its task. The market can safely be left to decide the fate of commercial operations. The main task of Public Service Broadcasting, we believe, is not to govern the shape of the whole broadcasting spectrum but just to preserve and enhance public service content through whatever means necessary.

PSB is fundamental in maintaining the UK's reputation for the quality of broadcasting. The question is how will this evolve to stay relevant in an increasingly competitive marketplace? Any future model must also take into account the age of public cuts into which we as a nation will be unavoidably be plunged as future Governments attempt to compensate for past record public spending.

At the opening of this paper we discussed the reasons why the forefathers of broadcasting in the UK felt the need to subvert the course of the natural market with the creation, firstly, of the BBC, and then a required public service from new commercial broadcasters, paying for this content by means of the license fee. This was due primarily to the scarcity of broadcast frequencies, the broadcast cost and the importance of using the restricted resources available to provide key services to listeners that were reliable and trustworthy.

If those same forefathers were tasked today to create a system to shape broadcasting for the common good, many of these concerns would no longer apply, and it is almost certain that the system they would create would be very different.

There is no longer this scarcity. An infinite number of channels is available via digital technology, and the cost of the equipment required to produce content for them is a fraction of what it was. The internet provides any individual on any budget the means to produce material to be broadcast to a potentially global audience.

But this explosion of content on a number of platforms does nothing, however, to guarantee quality or range of content. Digital TV, YouTube and other websites specialising in user-generated content have little to offer, at present, in the areas deemed most under threat by the OFCOM review. Also, little has emerged from digital channels that would be considered to be of exceptional quality.

Yet the beginning of the digital age brings a paradigm shift in broadcasting, which must be met with an equivalent shift in our approach. With this in mind, the talk of evolution is perhaps not fully engaged with the kind of change required.

The OFCOM reviewers are clearly aware that the UK possesses an outdated model to fund the provision of PSB in the digital age. The fragmentation of audiences across hundreds rather than a handful of channels and the migration of viewers to online content make it difficult to fund the provision of all-encompassing services containing engaging content across a range of genres.

In the future, we need to be very clear about what constitutes essential public service content and what is being adequately or semi-adequately provided by the market already. This approach opens up the way to making a major reduction in the license fee.

Then we must decide how licence fee payers' contributions are invested to fill the PSB gaps in the market. A major reduction in the license fee will allow this stream of revenue to be maintained over the short to medium

term. But the extension of the license fee's life offers a chance that must be seized to debate how PSB can be financed over the longer run.

Our principal conclusion is to establish a new body to receive a reduced license fee with the single purpose of awarding Public Service Broadcasting contracts. It would be open to any individual or organisation to seek monies to provide public sector broadcasting which might be aimed at traditional outlets or new ones. This would allow, for example, organisations wishing to promote aspects of our culture or history, or to see new cultural and artistic developments, to bid for monies which they may use to seek programme makers and outlets for their programmes.

The BBC would shrink as it would only provide Public Service Broadcasting and would be dependent totally on winning contracts. We would guesstimate that a new BBC with two television channels and two radio stations might be the flagship for providing public service broadcasting but would be far from being the only or, necessarily in the longer term, the main provider.

A commissioning model would still, like the old system, seek to subvert the course of the natural open market (it would guarantee a life for a smaller BBC for the foreseeable future), but would also help to cut much of the waste associated with channels producing duplicate content readily available from the commercial sectors. Competition between rival companies for this funding would encourage high quality output as well as value for money. The focus and priorities of this funding should be constantly shifting and take into account the market as a whole and the content of the BBC's already enormous inventory of pre-existing public service content.

A model where the vast majority of content is commissioned rather than centrally produced would also be far better regulated than the present system. Lack of editorial judgement from a producer likely to bring the

reputation of PSB into disrepute would place any future funding in jeopardy. Likewise innovation, creativity and discovering new talent across all broadcasting disciplines would be rewarded.

The second function of a new PSB service is to become an archive resource for all past Public Service content, which, as time goes by, will start to include PSB content commissioned from other sources.

The BBC has already made a huge amount of excellent programming which is still relevant today. A commitment should be made to ensure all suitable content from the past fifty years is available online via the BBC iPlayer ranging from classic comedy, to documentaries, factual entertainment and sport. This will be a massive inventory and making it available will instantly improve the public's access to quality content without the need for any new production. Access to the back catalogue of Proms concerts recordings already comprises a lifetime's worth of music to be enjoyed.

As systems move towards a time where all content is delivered to the viewer on demand, the idea of a schedule becomes outmoded. Under the new system a batch of new content would be added to the inventory on a daily or weekly basis, but there would be no need to produce material to fill an allotted period of time everyday, presently around 18 hours a day for BBC One and Two.

The focus of this new model must be quality not quantity. It is clear that certain hours of the day, particularly on television, are set aside for "filler content" produced on a very small budget. In an on-demand system there is no need for this content, as viewers can select from quality content day or night. Filler content is produced in huge quantities by commercial channels, the commissioning process would be tasked to avoid unnecessary duplication of content.

In addition, profitable areas of the BBC's present output, that do not pass the PSB test, might well be franchised to companies wishing to develop these established and well-known brands.

The biggest concern from the OFCOM review was protecting the future of national and regional news. The only way to protect the plurality of news in the longer term, particularly in the regions, is for their category of PSB to be financed by the license fee. Access to news and current information has to become a key part of PSB no matter who provides it. There would be nothing to stop regional news teams working from the same studio, or using the same source footage, but a commitment must be made that the provision in each of the local regions will be regularly reviewed by the commissioning body to ensure access to a reliable and trustworthy range of local news.

The BBC as a means for PSB and other bodies wishing to use BBC channels for this purpose, is a more attractive proposition than committing it to the self-production of a huge range of content in increasingly unpredictable times or by arbitrarily top-slicing its revenue merely to keep commercial broadcasters going. In recent years, a number of the Corporation's top talent have begun to produce their content independently, this has been successful and could conceivably work on a larger scale.

We still want the Corporation to compete on a world-class level as a producer of content, but for it to do this in a different way. The BBC as a body will still be responsible for maintaining the gold standard reputation for PSB it has earned for itself and, because of the role the Public Service Broadcasting Corporation will play in maintaining a style focussed on this approach, a new BBC could become an even more powerful player.

A smaller BBC will, in our view, be a more powerful BBC, and one that is best equipped to face the challenges of the digital age.