



Voice of the Listener & Viewer

Championing Excellence and Diversity in Broadcasting

Spring 2021

Bulletin 130

2021: A KEY YEAR FOR PSB

In the midst of a global pandemic, at a time when high quality, accurate news has never been more important to inform us of developments at home and abroad and entertainment has never been more necessary to comfort us, the government is deliberating how and whether it should reform the UK's public service broadcasting (PSB) system.

Fairly radical changes will be necessary if PSB is to survive the 'globalisation' of broadcasting due to online streaming services. What is at stake is citizens' access to a TV and radio system which is admired around the world for its range and quality. While there has been a huge increase in the choice of content, the bedrock of the UK system is PSB and at the heart of that is the BBC.

Ofcom is currently conducting its fourth PSB Review, a statutory duty which it has to carry out every 5 years. Its consultation closes on March 16 and we would encourage everyone to send comments in to Ofcom so that citizens are represented in the debate by going to the Small Screen:Big Debate website (details on page 12).

In the summer Ofcom will make its recommendations to the government, which will also be advised by a DCMS-commissioned PSB panel appointed in 2020. The panel is comprised of industry high-flyers, all of whom have an interest in what happens to UK broadcasting although none is representative of the views of audiences or citizens.

VLV is preparing a submission for the PSB Review and is in touch with the DCMS. While Ofcom has no power to mandate the outcome, it naturally hopes any recommendations it makes will be implemented.

In the midst of this debate the BBC and S4C are re-negotiating their funding with the government. VLV made no secret that it was extremely unhappy with the two most recent BBC funding negotiations, each held over a couple of days behind closed doors. They have led to a 31% decrease in real term funding for the BBC since 2010. This process has allowed the government to force the BBC to fund projects which were previously funded by general taxation, instead using TV Licence income which would otherwise be used by the BBC for making programmes. VLV is monitoring developments, but we would prefer a more transparent, accountable process for setting BBC funding which allows public debate before a decision is set in stone.

As recommended in other articles in this bulletin, VLV advises anyone interested in the future of UK broadcasting to watch this space closely.

VLV SPRING CONFERENCE

Thursday April 29th 2021

10.30am - 1pm

Online



Due to Coronavirus restrictions VLV will hold its Spring Conference online. At a time when the future of PSB is under scrutiny, we are delighted to announce that Lord Terry Burns, who recently stood down as Chairman of Ofcom, and Alex Mahon, the CEO of Channel 4, will be our keynote speakers.

The future regulation of PSB across a range of platforms, rather than just on TV channels, is a key issue in the PSB Review. Both Lord Burns and Alex Mahon will be able to provide significant insight into this issue, since Ofcom has been considering future regulation of PSB for some time and Channel 4 has led the way among UK broadcasters in innovating on digital platforms.

At this event we will also hold a panel discussion on whether impartiality regulation is still fit for purpose and how it could be improved in light of changing media consumption trends. Jane Martinson, journalist and Professor of financial journalism at City University, London, will chair this session and she will be joined by a panel of speakers which will include award-winning newscaster Jon Snow.

VLV AWARDS FOR EXCELLENCE

As in 2020, it is with much regret that VLV will have to cancel the VLV awards ceremony, which we usually hold at our Spring Conference. We had hoped that by now we might have been able to celebrate the best of British broadcasting in person, but that will not be possible. Instead we will announce the award winners in the week running up to the VLV conference in April. We are grateful to VLV members for nominating and voting for the awards which are much appreciated by those in the broadcasting industry. More information on the awards can be found on the back page of this bulletin.



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VLV represents citizen and consumer interests in broadcasting and champions excellence and diversity in broadcasting. VLV is free from political, sectarian and commercial affiliations. VLV is concerned with the issues, structures, institutions and regulation that underpin the British broadcasting system and in particular to maintain the principles of public service broadcasting.

Views expressed in the bulletin are those of contributors and do not necessarily reflect those of the VLV.

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FROM THE CHAIRMAN, COLIN BROWNE



Welcome to the Spring Bulletin.

In these unusual and challenging times, which have changed the way many of us live and work, developments in the broadcasting – and the broader media – industry have continued apace. Marooned in our homes, we are consuming more television and screen-based entertainment than ever before. Binge viewing has become the norm for many, not just a few, to the advantage of online streaming services.

At the same time, the importance of the public service broadcasters in providing reliable and trusted information has been brought into sharp focus, with large viewing figures. Their contribution to home education, particularly from the BBC, has emphasised their important role in the fabric of UK society. Radio, as ever, has remained a vital friend for many. Programmes such as *More or Less* on Radio Four have provided context and clarity amid the plethora of detail relating to the pandemic.

This comes at a time when important decisions are to be taken about the future of public service broadcasting. Ofcom has launched its PSB Review. It is very wide-ranging and suggests that the term public service broadcasting be replaced by ‘public service media’. We have concerns about this, not least because Ofcom has not defined what it means by public service media. We worry that if funds are provided for ‘public service content’ – which has also not been defined – this will not be new money but will come from further top slicing of the BBC licence fee.

In the midst of debates about policy, it is sometimes easy to forget the bigger picture. While the BBC is not perfect and we always have issues to pursue with it, as a country we should be proud of the BBC and of the PSB system in which it operates, and not constantly seek to undermine it as some, including politicians, do.

UK content is important. It performs a vital function by reflecting our lives and our interests. The needs of society are broader and deeper than those of the consumer. PSB has huge potential to improve society and our lives. The BBC’s funding must be sufficient so that it can continue to play a leading role. Ofcom, the DCMS and Parliament should take full account of the views of citizens and not be overly influenced by those with vested interests in undermining the Corporation.

This Bulletin contains some insightful pieces on the future of PSB, as well as the thorny issue of impartiality, which we will be discussing further at our virtual Spring Conference on 29 April.

In this period of change, we have said farewell to BBC Chairman Sir David Clementi. He always showed great courtesy and respect to the VLV and we thank him for everything he did. We look forward to a similar relationship with his successor, Sir Richard Sharp, and wish him well.

Our virtual Autumn Conference was a great success, with more ‘attendees’ than we would normally get for an in-person event. The same was true of the AGM and I would like to thank everyone who attended. We are putting together the programme for our Spring Conference, with some excellent speakers already confirmed. We will also be making our annual Awards for 2020, although sadly there will once again be no event. You will find the ballot papers with this bulletin. Do please send in your votes. There is a wealth of high-quality programming to choose from and the winners really value the Awards.

Colin Browne,
Chairman of VLV

NEW BBC CHAIRMAN



After much speculation that Charles Moore, a renowned critic of the BBC, might be the government's preferred candidate for the role of the next BBC Chairman, Sir Richard Sharp has been appointed. As a former chairman of

the Royal Academy, Mr Sharpe has experience of the cultural industries as well experience in finance, with a background in banking; he was for many years a member of the Bank of England's Financial Policy Committee. In his pre-appointment hearing in front of the DCMS Select Committee, he made it clear he is a passionate supporter of the principles of public service broadcasting. He clearly understands media financial operating models and how to monetise digital content. He stressed how important it is that BBC appeals to a wide audience and saw it as one of his responsibilities to ensure that the BBC delivers value for all licence fee payers. He describes himself as a regular 'BBC consumer', dating back to *Listen with Mother*, *Andy Pandy* and *Tomorrow's World*. He recalled more recently watching *Fleabag* with his mother, which he found rather awkward. He is a prolific consumer of sport on TV and says that he 'inhales' dramas. He began his new role on 12 February and says he intends to donate his BBC salary to charity.

OFCOM CHAIRMANSHIP

Following the departure of Ofcom Chairman Lord Burns at the end of 2020, Maggie Carver, Ofcom's Deputy Chair, has been appointed as interim Chair until the post can be filled. The role is currently being advertised and applications will close at the end of March. The Chair, who will be paid £142,500 for up to three days' work a week, is responsible for the regulator's strategy and independence, while "ensuring Ofcom has regard to the secretary of state's wider strategic policies". There has been speculation that Paul Dacre, former Editor of *The Daily Mail*, might be the government's preferred candidate.

CHANNEL 4 DIGITAL STRATEGY



Channel 4 has announced a new strategy - Future 4 - which heavily focuses on investment in its digital platforms to ensure its future sustainability. It plans to encourage more viewing of its content online, especially among younger audiences, and thus increase its income and impact. Up until now Channel 4 has led the way with its digital strategy in the UK and it has been particularly successful among younger audiences who are already viewing more content online. Through this new plan it hopes to transform C4C into a digital PSB and, VLV assumes, head off government plans to privatise it. .

LAUNCH OF NEW UK NEWS CHANNELS

Two new news channels have been awarded licences by Ofcom and are due to launch during 2021.

The first, GB News, headed up by PSB veteran Andrew Neil, says it aims to 'change the face of news and debate in the UK'. It's been reported that there are concerns the channel will take an ideological standpoint in contrast to accepted impartiality rules for UK broadcasters, but GB News says it is committed to 'impartial journalism'. Andrew Neil argues it will target 'the vast number of British people who feel underserved and unheard by their media'. The channel's launch date is yet to be confirmed but it is likely to be sometime in the spring.

The second news outlet due to launch in 2021 is News UK TV, backed by Rupert Murdoch. Details of its output are as yet unavailable, but it is reported that it will provide an evening only online service which will include a politics show, a daily political debate programme and an evening news bulletin. Since it has applied for a broadcasting licence, it is assumed that in due course News UK TV will also be available as a TV channel.

VLV assumes that both these broadcasters will be bound by Ofcom impartiality rules in order to be compliant with their broadcast licenses and looks to Ofcom to enforce these rules.

DECRIMINALISATION OF THE TV LICENCE

The government has announced that it will not decriminalise non-payment of the TV licence fee but will keep the issue under "active consideration".

Secretary of State, Oliver Dowden, said switching to a civil enforcement system risked being seen as an invitation to evade the fee, but there are still concerns that a criminal sanction is "disproportionate and unfair". It is likely this issue will be revisited during BBC funding negotiations which are ongoing. It is estimated decriminalisation would lead to a decline of up to £300m a year in BBC income.

NEW VLV PATRON



VLV is delighted that Mark Damazer has agreed to become a VLV Patron. Mark is Head of St Peter's College Oxford and previously spent 25 years at the BBC – finally as Controller of Radio 4 and Radio 7 (now Radio 4 Extra). Mark began his career at ITN as a graduate trainee before joining the BBC World Service

in 1981 as a current affairs producer. He spent two years as a producer with TV-am, returning to the BBC in 1984, initially to work on the *Sixty Minutes* programme and then to help launch the *Six O'clock TV News*. Mark was awarded a CBE in 2011.

BROADCASTING POST-BREXIT

By Dr Maria Michalis

Since 1 January, Britain is no longer part of the European single market. The Trade and Cooperation Agreement (TCA), concluded on 24 December 2020, lays down the post-Brexit relationship with and market access to the EU. Britain trades with other WTO countries on the basis of WTO rules. What does Brexit mean for the audio-visual sector and public service broadcasting in particular?

The TCA with the EU does not cover the audio-visual sector. This has internal and external implications. Internally, Britain is now effectively free to determine media policy. Policy should be broadly understood to include anything from competition policy, state aid, taxation, privacy, data protection, content regulation and copyright with regard to all sectors that form the digital society from media to telecommunications and technology sectors, including online platforms.

Externally, the British government has the freedom to negotiate and conclude trade agreements with other countries and to decide whether to include audio-visual works in future trade deals. The audio-visual sector is on the negotiating table under GATS and, while they won't reopen GATS, there may be pressure when Britain negotiates free trade agreements (e.g., with the USA) to get rid of the so-called cultural exemption and liberalise audio-visual works, in effect dismantling PSB. We need to follow post-Brexit trade negotiations closely to detect all potential threats to the audio-visual sector.

Some immediate changes post-Brexit are:

- British productions will continue to count as European works and thus contribute to the fulfilment of quotas, since Britain remains a signatory to the Council of Europe's 1989 Convention on Trans-Frontier Television (ECTT). This is good news since exports mean more revenues which, in turn, can feed back into more UK productions.
- The country of origin principle no longer applies to services with a UK licence. With regard to EU broadcasting rules, Britain has fallen back on the earlier, but limited, ECTT. The ECTT applies to linear services but excludes on-demand and over-the-top live streaming services. Britain will continue to allow freedom of reception for linear channels that originate from countries that are signatories to ECTT (note that 7 EU member states have not signed up to the Convention). Equally, Ofcom broadcast licences will continue to be recognised by the 20 ECTT signatories. With regard to **on-demand and linear streaming services** Ofcom service notifications will no longer be recognised in the EU and respective providers may need an authorisation from an EU member state if they wish to continue operating in the EU. Conversely, Britain will continue to allow reception of EU-based on-demand services and Ofcom is not planning to impose additional authorisation requirements on such providers at the moment, which leaves them outside UK jurisdiction. For now, only providers of on-demand services established in the UK are required to notify Ofcom, whilst OTT linear services listed in a UK regulated electronic programming guide will require an Ofcom licence (but not if they are offered via a website or an app). Ofcom is likely to rely on bilateral negotiations with the respective EU country that has jurisdiction over the online provider in question to

address any issues of concern. The position regarding on-demand and linear streaming services may change.

- Britain has implemented the quota rules for video on-demand services enshrined in the AVMS directive. Video on-demand services under UK jurisdiction will have to ensure that at least 30% of the programmes in the services are European works and ensure their prominence.
- In the run-up to Brexit, Britain signed (but not ratified yet) the revised Council of Europe Convention on cinematographic coproduction, which allows more flexibility and enables signatories to co-produce with non-European partners (e.g., Australia, Canada, South Africa) without the need for a bilateral coproduction deal.
- UK customers will no longer be able to access subscription content (such as Netflix) when travelling to the EU. It is still possible for service providers to offer cross-border content portability on a voluntary basis, provided they have secured copyright clearance.
- The TCA includes a subsidy control law provision which, importantly, does not apply to subsidies related to the audio-visual sector. This means that Britain will now enjoy greater flexibility to organise funding support and tax incentives for UK media.
- Brexit has limited impact on content and advertising rules, as EU harmonisation in these areas was minimal. Recent proposals concerning, for instance, the online harms framework and a total prohibition of online advertising of HFSS products have both been national initiatives and as such not affected by Brexit.
- Brexit bestows significant freedom to the UK government over copyright law, thus offering considerable potential for deviation from EU legislation. The TCA between the UK and EU does not address copyright rules, but simply falls back to existing commitments to the various international treaties and conventions. Authors, distributors and broadcasters therefore need to keep a close eye on relevant developments.
- Brexit has ended the free movement of people between the UK and the EU, as well as the mutual recognition of professional qualifications. EU and UK professionals may be able to travel temporarily for work, but companies and professionals will now have to acquaint themselves with respective immigration rules. For some, this may be inconvenient and costly.

In short, the effect of Brexit on the audio-visual sector and PSB will depend on how Britain uses its freedom to determine media policy nationally and negotiate trade agreements internationally.

Will Brexit serve to strengthen or undermine PSB? It is still too early to give a definitive answer, but given the mounting pressures that PSB faces, VLV and supporters of PSB will need to keep a close eye on developments and continue in their efforts to steer the policy debate and action so that PSB is supported. For now, the most pressing immediate challenges to PSB are domestic.

Dr Maria Michalis is a VLV Trustee and Reader in Communication Policy at the University of Westminster.

WATCH THIS SPACE CAREFULLY

By Phil Harding



Picture Credit: Joel de Friend on Unsplash

In recent months there have been growing calls, especially from the political right, for a review of the rules governing broadcast news in this country. Under particular assault is the notion that the news we see and hear should be impartial. Impartial news means in essence that it should not be biased and should not take a political stance.

Unlike the British press, which can be as partisan as it wants and often is, broadcast news in this country is currently legally required to be presented 'with due impartiality'. This is policed by the media regulator, Ofcom. (Social media is currently not regulated, though that is about to change with the introduction of a new Online Harms Bill, but that legislation is expected to steer well clear of requiring impartiality)

This year will see the launch of two new British television news channels: GB News, headed by the broadcaster Andrew Neill, and News UK TV, funded by Rupert Murdoch's media empire. Both aim to correct what they see as the current liberal bias of broadcast news in this country. At the same time, the BBC's new Director General, Tim Davie, has said he wants to put a renewed commitment to impartiality at the top of his priorities for the future. One way or another, impartiality is a hot media topic at the moment.

News free from bias as a requirement for broadcasters dates back to the 1920's when only BBC radio was on the air. At the time broadcasting was thought to be too influential not to be regulated.

Critics of the present regime say the whole idea has become ludicrously out of date. They say the explosion and diversity of sources of news, especially on the internet and on social media, means that we no longer need the protection of 'nanny state' regulation. Recently the influential Conservative peer Lord Grade, who as Michael Grade was chairman of the BBC and Chief Executive of ITV, told a conference that the licensing of broadcast news '...seems a relic of a bygone patrician age. I don't see why we should not have a *Daily Mail* news channel with its point of view or that of the *FT*'. Critics on the right further allege that the present system has led to the imposition of an over-riding liberal left bias in broadcast news. Hence the

headlines about a 'woke BBC', 'left wing *Channel Four News*' and the 'Bolshevik Broadcasting Corporation'.

Those in favour of keeping the present system point across the Atlantic to what has happened in the United States. In 1987, America abolished something called the Fairness Doctrine. This was a federal policy which required broadcasters to present controversial issues of public importance in a manner that was honest, equitable, and balanced. What happened subsequently in America is plain for all to see.

The American news media is now dominated by the toxic voices of the radio shock-jocks and by highly partisan news networks like Fox News and MSNBC. Viewers are left in self-reinforcing echo chambers exposed to half truths and one side of the argument. The result is a polarised media, feeding a divided country. Little wonder that many attribute the rise of Donald Trump and all that followed in his wake to this free-for-all media environment.

Could the same happen here? Andrew Neil, talking about his new channel, says, 'The direction of news debate in Britain is increasingly woke and out of touch with the majority of its people....Some journalists and commentators seem too confident that their liberal-left assumptions must surely be shared by every sensible person in the land'. At the same time he goes on to insist that his new venture will meet Ofcom's impartiality rules.

However, it's worth noting that in recent times Ofcom appears to have taken a much more elastic attitude to opinionated broadcasting. On LBC radio, for example, the right-leaning Nick Ferrari breakfast programme is now regarded as being balanced out by the leftish mid-morning James O'Brien show. (Ferrari by the way has the bigger audience). Recently a presenter on the Murdoch-owned Talk Radio cut up his face mask on air as a protest against the Covid lockdown.

Is this a foretaste of what might be to come with a new broadcasting age? Are we edging towards the American model? To give this debate added impetus, rumours persist in Westminster that Boris Johnson is very keen to appoint Paul Dacre, the former editor of the *Dail Mail*, as the chairman of Ofcom, with responsibility for policing impartiality.

The Pandemic has taught us many things but clearly one of them is that many of the things we once took for granted we can no longer do so. Recent research has shown that nearly half of the population has been exposed to false health claims. The case for trusted and rigorous news journalism has never been clearer. We will only really miss impartiality when it's gone. Watch this space very carefully.

Phil Harding is a journalist and broadcaster. He is a former Controller of Editorial Policy at the BBC.

PSB IN THE 2020s

By Sir Peter Bazalgette



This is topical. We have an Ofcom review into PSB, whose interim report has asserted the enduring value of public service broadcasting. We have a DCMS review plus a panel. But they'd better get on with task of modernising the regulations because we have to sort the commercial licences of ITV, Channel 4 and Channel 5 pretty soon.

To take a step back, though, up to now our public debate about PSB has not been good enough. We prefer old certainties to new realities. Sometimes, when I hear the deliberations of the commentariat on the BBC, it's as though we're talking about preserving some formerly cherished piece of heritage, like trying to save a venerable stately home.

There's a forceful contemporary argument for PSB, defined solely in terms of how it meets the challenges of the 21st Century. This is the debate we should now be having. What is PSB? It's a contract with broadcasters to deliver a public good. What is that public good? Well, it's best defined by its key elements: democratic, cultural, economic.

The well-resourced provision of trusted and reliable news, produced by trained & ethical journalists delivers the informed citizenry on which a functioning democracy depends.

Our identity, our shared cultural values, our national conversation come from programmes made by us, about us and for us.

And our screen industries are a cornerstone of our fast growing Creative Industries (£112 billion in 2018). The PSB companies have a special economic role here: they're investors in nations and regions outside the south - east, and support independent production.

We now need to reinterpret these qualities to match the age we're living in – an industrial revolution more dramatic than that of the Nineteenth Century and one that is disrupting our democracy, our culture and our economy. Even the name 'Public Service Broadcasting' seems otiose. Why would you define it by its method of distribution? And how relevant is that word 'broadcast' anyway, when much is now narrowcast, one-to-one? Might you rename it Critical Social Content, or Public Service Media (Ofcom's phrase) instead?

Whatever we call it, there are five compelling, contemporary reasons for nurturing it. Of course they come out of the key elements I've mentioned. They're:

- Trusted and reliable news
- Content that promotes and develops our shared values
- National resilience
- The furthering of the Creative Industries
- The nurturing of Britain's 'soft power abroad'

We're just twenty years into the internet age. It's brought us many benefits. But it also represents a threat to civil society. It's a promoted anarchy. The handful of supranational monopolies, which dominate our access to the Web, rely on algorithms which connect us to what they think we'll like or agree with. This has made confirmation bias into a sort of religion.

Just look across the water. We're well aware how the excesses of Fox News helped create the Trump phenomenon, by making millions of people angry. And how, when it called the election for Biden, millions of viewers decamped to even more extreme sites such as Newsmax and Parler.

This was the election when a congresswoman was elected who was openly espousing the Qanon conspiracy. But the idea of a satanic cult of paedophiles in Washington mobilising against Trump, originally from the basement of a pizzeria, is of course also the malignant progeny of Twitter, Facebook and Google's YouTube. Barrack Obama recently called this: "truth decay".

In the midst of this Tower of Babel, are a group of trained journalists charged with making impartial news, featuring a broad range of ideas and opinions, more or less relevant than they were before? Television and radio news may not be perfect, or perfectly impartial. But it strains every sinew to deliver high quality national and regional news according to those standards. And is held to account for it by Ofcom.

My second point is the content which is made by us, for us and about us. Today we are blessed with the likes of Netflix, Amazon Prime and Disney Plus offering us a wonderful range of streamed entertainment. Most of it is international and none the worse for that. Severed bodies on Scandi bridges, drugs production in the New Mexico desert and alcoholic chess prodigies certainly have their place. But our current PSB system funds £2.6 billion of UK original production a year, producing many times the number of hours that the streamers do. It's the news. It's the documentaries and reality shows. And it's the soap operas. This domestic content is one of the ways through which we explore who we are as a nation.

My third point is national resilience. We've all faced an emergency this past year, our greatest since the Second World War. We've relied more than ever on our most popular TV channels both to communicate key, Covid public service messages to mass audiences, and quite properly to scrutinise government performance as well.

And this is not just about the message, it's also about the medium. It may well be that most of TV is distributed via the internet within a decade. But we'd be well advised to maintain other means of distribution, such as the DTT system that many Britons still rely on for their television signal. We've always been told a world war in the future will be nuclear. I beg to differ. It'll be digital. And if the internet is ever seriously compromised, we'll need another means of distribution, and content on it which has a defined national responsibility.

POLICY & CONSULTATIONS

Next, is the knowledge economy, critical to our future prosperity. And the Screen sector within the growing Creative Industries is an important part of this. But we need this growth to benefit the whole country. The BBC has made major investments in Greater Manchester, Cardiff, Glasgow and Bristol. ITV maintains thriving production centres in the north west and Yorkshire, amongst others. Channel 4 has co-located to Leeds. The delivery of public value should be equitable.

My fifth and last point is soft power. We're on the threshold of leaving the EU. We've never needed more trading partners around the world than we do now. And where our culture goes, trade often follows. Our broadcasters, and the independent producers which supply them, have trebled Britain's programme exports in the last 15 years. We have a deserved reputation for creativity. This is allied to our happy possession of the English language. The PSB output of original content will be one of the most powerful ambassadors we have going forward.



Despite lockdowns and Covid restrictions, VLV's work engaging with policymakers has continued without interruption over the past year.

As the bulletin goes to press, we are working on VLV's submission to Ofcom's PSB Review and during 2021 VLV has already made a number of submissions. Two of these relate to the management of spectrum, which is essential if we are to continue to receive free to view digital TV and radio. The first response was to an Ofcom consultation setting out its proposed strategy to manage spectrum until 2030. VLV largely supports the proposed strategy, but we are concerned that competition for spectrum for other purposes, such as mobile phones, means there is a risk we may lose access to digital TV and radio unless we fight for it. VLV is lucky to have among its members some of the experts who designed the UK's digital TV system, so we are afforded significant expertise to argue the case on behalf of citizens.

The second spectrum submission was in response to a call from the Department for Culture, Media and Sport about the renewal of licenses which allow digital TV to be beamed into our homes. This was another technical submission in which we again argued the case for spectrum to be guaranteed for as long as possible to allow digital TV and radio to be available to UK citizens on a free to air platform.

Earlier in the year VLV commented on proposals by Ofcom to change the methodology for its PSB Tracker, which has been an important research tool since 2006, used to measure the delivery of PSB. We are worried that changes to the methodology could undermine the longitudinal value of this research. We are also concerned by the proposal to change the focus of the tracker from the public service broadcast channels to 'public service media' (PSM). While is not defined, we understand that the initial intention was simply to allow Ofcom to measure delivery of PSB across all TV channels and online platforms, rather than only on the main PSB channels, which we support; however, we fear this change may have more significant implications down the line, encouraging other producers and platforms to call for contestable PSB funding which we believe will inevitably come from TV Licence income.

All VLV policy submissions can be found on the VLV website: <https://www.vlv.org.uk/issues-policies/vlv-consultation-responses/>



These are the compelling, contemporary arguments for what we used to call PSB.

Now a word about distribution. In the future, when the internet becomes the main means of TV distribution, this will take place via a small number of dominant, foreign-owned platforms. They're already emerging: Amazon, Comcast/Sky and Apple, as well as the connected TV's themselves. What will you find on their home screen in the future? How far will you have to dig and delve to find any mention of BBC iPlayer, ITV Hub or All4? So it's critical that we have an update of the 2003 Communications Act. It established a simple principle of prominence for PSB channels. Today they should still have to give PSB prominence, as well as guaranteeing carriage and paying fair value for all the viewers PSB attracts to their platforms.

Do you recall the American wag who said that television is called a medium because it's neither rare nor well done? Well, I believe much of our television is very well done. And it's up to all of us to make sure it doesn't become rare.

Sir Peter Bazalgette is Chairman of ITV.

HOW SHOULD PUBLIC SERVICE BROADCASTING BE FUNDED?

By Professor Patrick Barwise & Peter York

All the UK public service broadcasters (PSBs) face growing competition and higher content, technology and distribution costs, driven by US SVoD¹ companies like Netflix, Amazon and Disney. But as VLV research has shown, despite these cost increases, the BBC has had its real (inflation-adjusted) public funding cut by 30 per cent since 2010, with more to come.² The commercial PSBs (ITV, C4 and C5) too have lost advertising income to Facebook and Google. If the Government genuinely wants to ensure the long-term health of our very successful broadcasting ecosystem, with the PSBs at its heart, what should it do?

- 1. Reverse the main cuts in BBC funding**, especially by taking back the cost of free TV licences for the over-75s, introduced as a taxpayer-funded concession by Gordon Brown in 2000 and clearly a welfare benefit like the Winter Fuel Payment - which costs much more³ - and should never have been forced on the BBC⁴. Unless this happens, even with further efficiency gains and commercial income growth, the BBC will have to cut about 20 per cent of its UK services⁵. The National Audit Office recently confirmed that 'there is little scope for further significant savings' through cuts in BBC executive and presenter pay⁶ - a minor factor anyway. The only options for funding free TV licences for all over-75s are restoring government funding or significantly cutting the BBC's services.
- 2. Replace the TV licence with a universal household levy, as in Germany:** BBC funding based on TV set ownership is becoming anachronistic but all the other options are worse. With subscriptions, the BBC would no longer be universal - a key issue endorsed by Tim Davie - and, to maintain the level of content investment, the average subscription would need to be much higher than the licence fee to cover marketing, billing and customer service costs (Sky's sales and general overhead costs alone are about 80 per cent of the BBC's total licence fee revenue!) and to make up for the lost income from households that might choose not to subscribe. Advertising, the other widely touted funding option, would distort the BBC's incentives, increase its overheads, severely damage other advertising media (including the commercial PSBs) and add unwelcome commercial interruptions during BBC broadcasts.
- 3. Prominence and listed events.** The PSBs can also be supported by increasing their programmes' prominence in electronic programme guides (EPGs) and expanding the number of listed sporting events for which broadcast rights must be offered to universally available free-to-air broadcasters at a fair and reasonable price.
- 4. Tax the UK sales of the US technology companies and use some of the proceeds to support continuing investment in original UK public service content.** A question is whether this investment should be through a 'contestable fund'.⁷ We're sceptical, except maybe for children's TV - but that's an issue beyond the scope of this note. The technology companies are barely taxed and almost completely unregulated and this can't go on.

- 5. Equalise the commercial airtime minutes for all TV advertising channels.** For somewhat obscure historical reasons, the commercial PSBs are disadvantaged by being allowed to sell fewer minutes per hour of advertising on their main channels (such as ITV's main channel) than is allowed on all other commercial channels⁸. This anomaly should now be ended by 'splitting the difference' so that the total number of commercial exposures (and, therefore, the total value of the TV advertising market) is roughly unchanged. The net effect would be a small shift of income from the non-PSB broadcasters to the commercial PSBs, helping to sustain their investment in original UK programmes.⁹

At some point, the Government should also review the commercial PSBs' public service obligations. The long-term reductions in traditional TV viewing and advertising are structural and most likely irreversible, putting steadily growing pressure on advertising-funded PSBs' ability to meet their obligations, especially in the case of C4, which has the strongest remit. The US SVoDs, of course, have no comparable obligations. Covid-19 has added further short-term financial pressure. However, ITV, C4 and C5 have all managed to sustain their income much better than many people expected. In our view, their current public service obligations should remain in place for now but should be reviewed within five years.

Patrick Barwise is Emeritus Professor of Management and Marketing at the London Business School and former chairman of Which? and Peter York is a cultural commentator, author and broadcaster and President of the Media Society.

Their new book, *The War Against the BBC* is reviewed on page 11.

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3. The annual cost of free TV licences for all households with one or more members aged 75-plus is £745m. The annual cost of winter fuel payments is £2bn.
4. With no published analysis, public consultation or parliamentary debate.
5. Alex Barker, 'BBC examines how to cut fifth of output as 'financial challenge' growth', *Financial Times*, 20 January 2021.
6. National Audit Office, *The BBC's Strategic Financial Management*, January 2021, page 36.
7. A contestable fund - much loved by free-market economists - is one which allocates money in response to competitive bids. This is problematic in the context of a creative product like broadcasting.
8. Including the commercial PSBs' own portfolio channels (ITV2, More4, 5Star etc.).
9. This would increase total UK content investment because the commercial PSBs invest a much higher proportion of their income than the non-PSBs in original UK programmes.

MEDIA: NOT JUST A PRODUCT IN THE MARKETPLACE

By Professor Natalie Fenton & Dr Deborah Grayson

VLV members will be familiar with the many ways public broadcasting is under attack. From the possibility of further funding cuts and changes to the BBC's remit, to the threat of privatisation hanging over Channel 4 and the difficulties of competing with wealthy rivals like Netflix and Amazon, there are many reasons to be pessimistic about its future. Meanwhile Ofcom has approved licences for GB News and News UK channels, both of which are likely to devote a lot of airtime to claims that public service broadcasting is outdated and irrelevant.



Credit: Tyler Casey on Unsplash

Underpinning many of these attacks is a highly commercialised worldview, in which audiences for media products are seen as consumers rather than citizens. This shift can be seen across many public institutions and political life, including media regulators such as Ofcom who prioritise the needs of customers with little mention of its legal remit to “protect the interests of citizens”.

Yet media can't be treated as just another product in the marketplace. The information we receive and representations we see in broadcast, print or online have huge implications for democratic life. As we have seen with the spread of damaging disinformation about coronavirus online, far from making public service media irrelevant, the changing technological context makes it even more important that we have media institutions which are run for citizens and in the public interest.

Major changes within public broadcasting and the wider media ecology are probably inevitable in the coming decade, given the challenges to the sustainability of their funding models, generational differences in how audiences access media, as well as possible constitutional changes on the horizon in the devolved nations of the UK. The question is whether these changes will further entrench inequalities and commercialism, or whether they can be directed in ways which harness the potential of digital technologies to create new forms of participation and accountability, both in public broadcasters and other independent media.

This is the central question of a new campaign from the Media Reform Coalition, The BBC and Beyond: Reimagining Public Media. Over the coming year, the campaign will host a series of public conversations and create a Manifesto for a People's Media, which will feed into the BBC mid-term charter review in 2022, as well as connected issues such as tackling concentrations of media ownership and universal

broadband.

Conversations about the BBC are often fractious and we have no doubt that our public events will involve some lively differences of opinion. But we hope that the campaign will create a productive space for discussion by expanding the parameters of the conversation ‘beyond’ the BBC and maintaining a commitment to the foundational principles of public service broadcasting - real independence from government and commercial pressures; genuine representation of and accountability to a diverse citizenry; enhancing democracy through universal access to information, education and entertainment - while embracing the need to renew and update these principles in the digital age.

In some cases, this may mean taking inspiration from public broadcasting initiatives which predate the current commercially-oriented era – initiatives such as the BBC's Open Door or Channel 4's People to People, which allowed community media to reach national audiences. These remind us that it is possible to create meeting points between national broadcasters and civil society. Similarly, the BBC's Computer Literacy Project in the 1980s – which provided so many people with the first computer they ever used at school – shows that technological innovation doesn't have to come from Silicon Valley and that there are blueprints for using the infrastructures of national broadcasting to address the huge digital inequalities which have been so starkly illustrated by the pandemic.

At the same time as learning from the rich history of public broadcasting, we believe that its renewal will involve incorporating new forms of democratic participation from elsewhere and the campaign will work with independent media partners around the country to showcase these practices. For example, media cooperatives such as The Bristol Cable and The Ferret in Scotland not only allow readers to be members who can question editorial decisions at AGMs, but have ongoing processes of engagement where they can suggest stories and help decide which issues should be investigated. Community radio also provides many lessons about how to cultivate spaces where citizens can engage with each other's perspectives in far deeper and more respectful ways than can be provided by commercial outlets or corporate social media platforms.

The campaign begins with 12 online ‘town hall meetings’, covering themes from climate change to coverage of the pandemic worldwide to devolution. The first meeting takes place at the Media Democracy Festival on March 20th. We hope very much that you will join us and be part of the conversation to reimagine what our public media can be. (See www.MediaReform.org.uk for further details.)

Deborah Grayson is Campaign Co-ordinator for the MRC Reimagining Public Media Campaign and Natalie Fenton is Chair of the Media Reform Coalition and Professor of Media and Communications, Goldsmiths, University of London

THE QUIET SHUFFLING DOWN SHOW: HOW BRITAIN'S FREE TV CHANNELS WERE RELOCATED TO ALLOW THE DEVELOPMENT OF 5G AND OTHER MOBILE SERVICES

By Professor Sylvia Harvey



In the wake of the World Radio Conferences of 2015 and 2019 the mobile phone sector won the argument that it required additional spectrum to cater for rising demand, to improve existing mobile services and to enable the development of new ones - including 5G. In the UK this has meant that the mobile phone services have been offered new spectrum space in the upper UHF band of 700 MHz, recently vacated by the broadcasters. This change has involved a re-engineering of the whole of the Digital Terrestrial Television system (DTT/Freeview) in order to ensure that around 17 million DTT homes retain access to their preferred TV programmes. These Freeview homes had opted against the Pay-TV services offered by satellite and cable in favour of a range of free to air services (FTA) including those provided by the BBC, ITV, Channel 4, Channel 5 and others (around 120 TV channels in total, including Al-Jazeera). The four UK broadcasters noted here are designated as 'public service' providers by the 2003 Communications Act and this legislation requires them to be made available free at the point of use, on a universal access basis.

The re-engineering of the Freeview system and its transfer from the 700MHz spectrum band, down to the lower UHF 600MHz band, has taken three years of hard work. This has included making adjustments to over 1,000 transmitter masts throughout the UK; the last one - on the Isle of Man - was switched over in August 2020. Following the changes in each area, viewers then received notices on their TV screens to re-tune the channels. When previously the TV signals had been relayed through the 700 MHz band of spectrum, following switchover they were now routed via the lower 600 MHz band. The head of Arqiva, one of the key companies involved in the process, spoke of:

...the largest broadcast engineering project since the digital switchover...described as 'performing open heart surgery' on the nation's television network.¹

These changes have not affected cable and satellite subscribers. However, it is important to note that the users of Freeview are not a small band of Luddite refuseniks, but the largest single grouping of TV watchers at the present time in Britain. BARB data from

July 2020 provides the figures for the number of homes with access to the various platforms: 17.01 million homes have access to Freeview; 8.38m have a Sky subscription; 3.98m have a cable subscription and 1.07m have Freesat access². If we combine the Freeview and Freesat figures we see that a clear majority of 18.08m homes have opted in favour of the 'public service' free to view offers.

The choice provided by subscription services is popular, including the online Subscription Video on Demand Services (SVODs), known to be already available in 53% of UK homes prior to the Covid-related 'Lockdown' of Spring 2020, and certain to have increased since then. But these subscription providers do not face the threat of additional spectrum loss in the foreseeable future.³

The ability of homes to access different platforms is one thing, choice of TV shows to watch is another. So it may be useful to offer a brief review of the recent percentages of total viewing time devoted to the top four providers; unfortunately robust SVOD figures are not yet available. In January 2020 the share of total viewing time for the clusters of channels offered by the top four broadcasters was as follows:⁴

BBC: 31.68%
ITV: 21.73%
Channel 4: 10.11%
Sky: 8.98%

Given the extraordinary effort that has so recently gone into relocating the signals transmitted by free to air broadcasters, why might there be a risk of a repeat performance, but one where there is no suitable spectrum left?

In December 2020 the government issued a timely and largely considerate consultation on renewing the licences for the masts which relay programmes for the FTA broadcasters, including the BBC. All of the required licences expire in 2022 or 2026. However, a warning is issued that if the mobile operators return for more of the highly prized UHF spectrum which the broadcasters need, then Ofcom will be given the power to expel them from their newly acquired home.⁵

Arguably what is most needed, post COVID-19 - in respect of broadcasting and the creative industries that supply it - is better funding for the BBC. This will raise choice and quality across the board and could inspire a closer inspection of the advantages of quality over quantity.

Sylvia Harvey is a trustee of the VLV and a Visiting Professor in Broadcasting Policy at the University of Leeds

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VLV EVENT REPORTS

VLV held two events online in October and November 2020 to replace its usual Autumn Conference.



The first was with Sir David Clementi, Chairman of the BBC on October 20th. It was chaired by Dame Colette Bowe, former Chair of Ofcom and past President of VLV. Sir David highlighted that funding for the BBC should be based on what it is expected to deliver. He set out why he believes there is still a role for PSB and what it should provide: UK content which reflects our society and which should fulfil the Reithian trilogy to inform, educate and entertain.



Maria Kyriacou, CEO of ViacomCBS UK & Australia, which owns Channel 5, was a keynote speaker at our next event on 24th November. Maria focused on Channel 5's achievement in creating a space for distinctive UK content, which includes pre-school children's output. This session was chaired by media journalist Ray Snoddy.

Peter Bazalgette, Chairman of ITV, was our second keynote speaker. Sir Peter is one of the most experienced and highly regarded figures in the UK broadcasting industry. He set out his vision for public service broadcasting in the future, at the core of which is 'critical social content'. This session was chaired by media journalist Torin Douglas.



Our final session on 24th November debated whether content in the nations and regions of the UK is sustainable in a global marketplace.



The speakers were Chris Burns, Head of Audio and Digital for BBC England, Damian Collins MP, former Chairman of the DCMS Select Committee, Matt Deegan, Creative Director of Folder Media and Owen Evans, Chief Executive of S4C. This session was chaired by former BBC presenter and correspondent, Mark Mardell. A range of solutions to support more local provision of content were proposed but all agreed that this type of content is essential.

All the recordings of these events can be accessed free on the VLV website: www.vlv.org.uk.

BOOK REVIEW: THE WAR AGAINST THE BBC

By Professor Robert Beveridge



At almost any time since its foundation in the 1920's you could have read headlines claiming the BBC was in crisis. These are sometimes accurate, but equally can be confected by competitors or politicians.

Barwise and York's *The War Against the BBC. How an unprecedented combination of hostile forces is destroying*

Britain's greatest cultural institution ... And why you should care makes the case that this time, the threat is existential.

How strong is their case? Won't the Corporation muddle through as in the past?

Although it is worth remembering that the next Charter is not due until 2027 and we have before then an opportunity to celebrate the centenary of the BBC (and the BBC has done well during the pandemic in supporting education etc.) it is true that the pace of changes in technology and the market are transforming the media landscape. Add to that divided nation(s), polarised culture wars and a UK government which seems to demonstrate a lack of respect for conventions and even the rule of law and the threats multiply.

The authors set out 5 challenges: consumption trends (in a digital online universe), cost increases, issues of impartiality, constraints on ability to compete and innovate and funding cuts.

Each of these is problematic, but Barwise and York wisely see that it is the creation of a culture wars agenda – think the *Last Night of the Proms* debacle – which puts the BBC on a very slippery slope. In addition, the arrival of top slicing and the resurrection of an 'arts council of the air' model, which would distribute money to content regarded as PSB without regard to supplier.

As other companies retreated from regional and children's programming and local news was in danger, so the BBC was expected to make up the shortfall, either with content or money.

They make the case well. When it's gone we will realise what we have lost. Let's hope and ensure that this is never the case.

A good read.

The War Against the BBC: How an Unprecedented Combination of Hostile Forces Is Destroying Britain's Greatest Cultural Institution... And Why You Should Care. Paperback – 19 Nov. 2020 by Patrick Barwise, Peter York, Penguin

Robert Beveridge is a VLV Trustee and Professor of Media Policy and Regulation at the University of Sassari in Sardinia.

VLV NEWS

The 18th Annual General Meeting of Voice of the Listener and Viewer was held on Wednesday 2 December 2020. It was conducted online because of restrictions arising from the Covid-19 pandemic.

More than 50 members attended. The VLV Annual Report and Accounts were reviewed and accepted. Colin Browne was re-appointed as VLV's Chairman and a number of trustees were re-appointed. Professor Sylvia Harvey, well known to many VLV members, re-joined the VLV board. We are delighted to have her back on board. All our trustees are volunteers and without them the VLV would not be able to carry on its important work.

Following the formal AGM business there was a lively discussion of what should be done to support PSB.

THE VLV AWARDS 2020 - VOTE NOW!

Included for members with this bulletin are the ballot papers for the VLV Awards for Excellence in Broadcasting covering programmes broadcast during 2020. This year for the second time, Covid-19 restrictions make a physical awards ceremony impossible, so we plan to announce the award winners to coincide with the Spring Conference on 29 April 2021.

In addition to our regular awards, as a way of recognising the efforts broadcasters have made to respond to the peculiar circumstances of 2020, we have introduced a separate award for Best Lockdown Initiative - Television or Audio.

There is a wonderful array of programming to vote for from across the broadcasting spectrum. Please do take the time to vote for your favourite programmes to help VLV celebrate the achievement of those who did such a good job to inform, educate and entertain us during 2020.

Winners particularly value these awards, first introduced some 30 years ago, because they are chosen by the people who really matter: their listeners and viewers.

The deadline for completed ballot papers, which can be returned by post or by email to info@vlv.org.uk, is **24 March 2021**.

Diary Dates

**Ofcom PSB Review
Deadline for submissions
16 March 2021**

[https://
www.smallscreenbigdebate.co.uk/
consultation](https://www.smallscreenbigdebate.co.uk/consultation)

**VLV's 37th Spring
Conference
Thursday 29 April 2021
10.30am-13.00pm
Online**

**VLV's 38th Autumn
Conference
Wednesday 24 November 2021
10.00am-4.00pm
Venue TBC**

**We will announce other events
during the coming months.
Watch out for email updates
and visit the VLV website for
further details.**

Keeping up to date

VLV will be sending out regular updates by email - so please ensure that Sarah Stapylton Smith in the VLV office has your up-to-date email address or else keep looking at the website at www.vlv.org.uk



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