

A FUTURE FOR PUBLIC SERVICE TELEVISION: CONTENT AND PLATFORMS IN A DIGITAL WORLD

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Written response to the Ofcom consultation Small Screen: Big Debate – The Future of Public Service Media

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1 Background

- 1.0 A Future for Public Service Television: Content and Platforms in a Digital World was set up as an independent inquiry in 2015 to examine how to future proof public service philosophy and to secure quality and diversity of content amidst major technological, cultural and social shifts as well as financial pressures.
- 1.1 The inquiry was chaired by <u>Lord Puttnam</u>, led by <u>Professor Des</u>
 <u>Freedman</u> with secretariat based at Goldsmiths, University of London. It was supported by an <u>Advisory Committee</u> as well as a <u>Broadcast Panel</u>, both composed of leading academic and industry voices.
- 1.2 The <u>report</u>, published in June 2016, was the culmination of eight months of consultations and evidence gathering that included 13 public events and 57 submissions by broadcasters, academics, civil society groups and industry figures.
- 1.3 We welcome OFCOM's consultation as a much-needed and urgent intervention into the current changing media landscape, in which we see an increasingly vital role for public service media as 'the most reliable bulwark available to truly plural and informed democracy' (as Lord Puttnam put it in his Foreword to the report).
- 1.4 Our submission to this consultation is largely based on the key recommendations of our inquiry which remain relevant despite the changes that have occurred in the five years since the report was published.

2 Recommendations on regulation, availability and accountability

2.0 The idea of public service, as we argued in the report, ought to play a central role in any British media ecology. As the most trusted source of information in an increasingly distrusted media environment, and as a significant driver of the UK creative economy in a changing global

- landscape, public service media (PSM) need full scrutiny yet also carefully considered protection and robust regulation.
- 2.1 The concept of public service media needs to be rigorously defined by Ofcom in relation to content and service providers that adhere to specific principles of independence, diversity, citizenship, universality and quality. We are concerned that these principles are poorly understood and insufficiently embedded into existing PSB guidelines and believe that there should be a greater discussion of how these principles are relevant to and should underpin an emerging PSM landscape.
- 2.2 PSM should not be regulated primarily in relation to the impact they generate on media markets; rather, they need to set the standard for the market to follow. In particular, PSM should neither be seen nor regulated as synonymous with market failure and designed to plug the gaps left by commercial providers. Instead, PSM should offer high-quality content and services to all audiences irrespective of geography or demographics whilst at the same time attempting to compensate for inequalities that are associated with factors such as race, gender, class and regional background.
- 2.3 If PSM content is to retain legitimacy and relevance, then it has to recognise the desire of all social groups to be listened to and to be properly represented. This is especially the case when both devolution and the establishment in law of 'protected characteristics ' such as age, disability, gender, race, sex, sexual orientation and religion have further weakened the idea of the UK as a 'singular' space in which the entire population faces the same challenges and shares the same dreams. PSM has to foster a commitment to diversity that recognises both our common interests and the needs of different national, minority and under-represented groups.
- 2.4 As such, the obligations placed on PSM providers in the 2003 Communications Act should not be diluted. As long as there is demand for diverse PSM content and services, and as long as these providers continue to benefit from specific regulatory advantages, then they should be required to produce agreed levels of content in certain key areas such as news and current affairs, arts, education, children's programming and original drama.
- 2.5 In return for PSM providers meeting their obligations of their licences, their content should be guaranteed prominence on the user interfaces of on-demand services. We support the <u>broadcasters' proposal</u> for a 'regulated offer' but, of course, the impact and scale of this offer depends on the continuing provision of a range of high-quality, diverse and innovative content.
- 2.6 We agree with the <u>UKCCD</u>, in their submissions to this consultation, that non-PSM providers should be 'mandated to pay appropriate sums for carrying PSB broadcasters' content' in order to 'rebalance the existing unlevel playing field'. However, we do not think this should be restricted to only 'non-British multinational players' but to tech platforms like Amazon and Google as well as companies like Sky and Netflix.

2.7 Ofcom needs to supplement its occasional reviews of public service media (such as Small Screen: Big Debate) with a regular qualitative audit of public service content in order to ensure that audiences are being adequately served. This should include detailed data on the representation and employment of minority groups together with a rigorous check that existing obligations are being fulfilled and a commitment to take action where they are not.

3 Recommendations on the future funding of PSM

- 3.0 The licence fee has been raided by governments to pay for media infrastructure projects or politically motivated schemes, which have not only undermined the BBC's ability to fund itself on a stable footing but also made a mockery of the idea that the BBC is truly politically independent. The licence fee has long been preferred over funding out of general taxation on the grounds that it keeps government at arm's length. Recent history, however, suggests that the licence fee does not make the BBC any less vulnerable to interference and it is also a notably regressive form of taxation, charged at the same rate to every household in the country.
- 3.1 We believe that government should replace the licence fee as soon as is practically possible with a more progressive funding mechanism that provides the BBC with no less than it currently secures from the licence fee. An independent committee should be established to lead a review to explore funding options such as a tiered platform-neutral household fee. a supplement to Council Tax or funding via general taxation with appropriate parliamentary safeguards. We do not believe that advertising or subscription are appropriate to the aspiration that BBC content and services should be free at the point of use. Even a 'hybrid' model – involving selected subscription services along with free content - would create a worrying precedent in which subscription may become to be 'normalised'. This could be the 'thin end of the wedge' allowing for a full subscription model at a later date which, by definition, would exclude those unable to pay for whatever services were placed behind a paywall.
- 3.2 it is crucial that the level of the BBC's funding, whatever mode of financing is agreed on, is set sustainably to bring an end to continual cost-cutting and debilitating uncertainty. This is not just about protecting the BBC, but about bolstering the wider creative industries in the broadcasting ecology that depend in no small part on the BBC. While we recognise that any new system of funding must be carefully thought through, it would be far more effective to switch to a new model while both the BBC's popularity and the licence fee's penetration remain very high. To abandon the licence fee, if not the principle of public funding, would represent a major change after almost a century but this does make the need for meaningful reform any less urgent.
- 3.3 In order to increase the levels, quality and diversity of public service content, we recommended in our report that the government set up a new fund, based on a levy on the revenues of the largest digital intermediaries. This would consist of a series of digital innovation grants

that would be open to cultural institutions and other organisations who are not already engaged in commercial media activities to provide content that meets specific, defined public service objectives. Money awarded by this new fund would be disbursed via a new independent public media trust with a clear set of funding criteria, transparent procedures and an accountable system of appointments. This Trust would also recognise the need for meaningful representation from all the nations of the UK.

3.4 We do not support contestable funds tied to existing licence fee revenue but a future-facing initiative that would expand both the revenue and the infrastructure for public service content.

4 Recommendations on future providers of PSM

- 4.0 We need that Ofcom's consultation document calls for 'radical approaches' (p. 5) to public service media but only, it appears, in how to reach younger audiences in particular. We believe that we need a 'radical approach' to how public service content is commissioned and distributed if it is to meet its public policy objectives in relation to issues of quality, diversity, independence and universality.
- 4.1 There is now a significant amount of content that is produced outside of the traditional parameters of PSB either broadcast or made available online but that shares many of the traditional features and aims of public service media. Some of this is provided by the many commercial operators that broadcast on multichannel platforms, such as Sky or Discovery, as well as by Local TV services; some of it is offered by the new on-demand services such as Netflix and Amazon; while some of it is being produced online by arts and cultural organisations such as the Tate or the National Theatre, and by many other bodies besides.
- 4.2 Our cultural institutions, both local and national, have deep specialist knowledge in areas that are core to public service content whether it be science and technology, ecology and the natural world, cultural identity, history, or dramatic excellence. They also have the editorial knowledge, the assets, the audiences and the expertise to become significant public service content players in the digital world. It seems likely to us that these organisations could do much more if they were released into the networked world of public service media with even a fraction of the resources that we currently provide or safeguard for existing PSBs. This will require reimagining and expanding the public service media landscape and developing new sources of funding as suggested in 3.3 above.
- 4.3 This new source of funding for a future-facing PSM would be open to any cultural institutions or bodies that wanted to produce public service-oriented digital content and that could provide evidence of their creative purpose and expertise. These applicants should not be wholly commercial operations; rather, they should have demonstrable public service objectives and purposes.
- 4.4 We propose, therefore, that these 'new' PSM providers would create partnerships and framework agreements with public service

broadcasters and other platform owners to promote and distribute their content with appropriate branding and acknowledgement. At the heart of this arrangement would be distribution agreements with the BBC and Channel 4 for access to and promotion on the BBC iPlayer and All4 platforms (and any new platforms that emerge out of public service collaborative efforts), which would detail the appropriate editorial presentation and curation of this content. These providers would be expected to make agreements with other partners that would maximise the prominence, findability and reach of the content it funded.

4.5 This new source of funding would support primarily digital content, apps and mobile and online experiences that met public service objectives. Applicants would be expected to use their own digital networks and those of partners to maximise prominence and access to this content. Qualifying applicants for funding would retain all the intellectual property of their output and retain editorial and contextual control of the content once funded. Applicants would be expected to hold discussions with distribution and funding partners prior to making their application to create both a funding proposal and a distribution and access plan. We believe that this proposal would help to transform and revitalize the relevance of public service content for UK audiences while, at the same time, meeting the desire in the *Small Screen: Big Debate* consultation paper for a mixed PSM landscape comprised of bigger players 'supplemented by other providers, including smaller players with a narrower focus' (p. 37).

5 Conclusion

- 5.1 Ofcom's consultation paper makes it clear that PSM will continue to play a vital role in the UK media landscape but only with the appropriate definition, funding and regulation. Given the huge potential of digital technologies to disrupt settled environments both positively and negatively it is vital that we take steps to secure a public service media system that will address the interests of all audiences during a period of transition and that has the capacity to leverage public service principles into a radically different technological future.
- 5.2 The type of imagination required to create a better PBS future is exemplified by the 1954 Broadcasting Act which created the terms and conditions that established the ecology of regional commercial television ecology in the UK. It was the outcome of a brilliant series of Parliamentary debates which addressed modernity, access, choice, funding, accountability, regionality, diversity (as it was then understood), ownership and sustainability.
- 5.3 We would support efforts by Ofcom to devise a strategy that will continue to ensure that the UK produces high quality public service media content in a far more competitive environment and where the attractions of being a 'public service broadcaster' are far less obvious. This will require decisive action: a willingness to stand up to voices that will insist that only a 'light-touch' regulatory environment will produce the necessary incentives for producing PSM content; it will involve defining PSM for the digital age and opening up of new sources of funding that

will radically enhance existing provision. Above all, it will require the imagination to foster an innovative and creative PSM ecology that protects core PSM principles – such as universality and diversity – and that remains distinctive and envied at an international level.