

# To inform, educate and entertain?

British broadcasting in the twenty-first century

MARTIN LE JEUNE





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# CONTENTS

Preface

1. The broadcasting crisis	1
2. Principles and practice	10
3. The purpose and history of PSB	15
4. The role of the BBC	24
5. The plurality debate	31
6. The broader landscape	39
7. ...and finally	43

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## **PREFACE: THE SANDBOX GENERALS**

Some older television viewers may remember the enjoyable sight of Peter Snow helping us to understand the progress of the First Gulf War by moving little plastic tanks around in a sand box. Although the war was no doubt a nasty business in reality, the boyish enthusiasm of Snow made it all seem great fun – like playing toy soldiers on the bedroom floor.

The world of UK broadcasting policy now has its very own sandbox generals. Ministers and regulators have their little tanks to play with. Channel 4, Five, BBC Worldwide, TV Licensing, ITV are their toys. Should Four merge with Five? Or perhaps get a slice of Worldwide? If so, how much? Or what about the licence fee? What next for ITV?

We are biblically-advised, when we are adults, to put away childish things. That is good counsel. In the last 20 years, UK broadcasting has grown up. It no longer needs sandbox generals. It could flourish and develop far better without their interference. This paper explains why.



## 1. THE BROADCASTING CRISIS?

The British broadcasting system is in crisis. So say the allegedly wise heads in British broadcasting. According to Ofcom, ‘the current model of commercial public service broadcasting is clearly no longer sustainable’.<sup>1</sup> The Government agrees. According to the current Secretary of State, what is required is ‘a real urgency to set a timetable for public sector broadcasting (PSB) as soon as possible’.<sup>2</sup> The recent report *Digital Britain*, while containing little new thinking, states that UK programming and news are ‘not something that we can any longer take for granted’.<sup>3</sup>

The problems are said to be many; catastrophic; and ubiquitous. The BBC, we are told, lurches under the weight of an unsustainably low licence fee settlement, rendering its ability to deliver the commitments in its Charter and agreement uncertain.

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<sup>1</sup> Ofcom January 2009. See [www.ofcom.org.uk/consult/condocs/psb2\\_phase2/statement/psb2statement.pdf](http://www.ofcom.org.uk/consult/condocs/psb2_phase2/statement/psb2statement.pdf), page 1

<sup>2</sup> Speech by Andy Burnham, September 2008: [www.culture.gov.uk/reference\\_library/minister\\_speeches/5483.aspx](http://www.culture.gov.uk/reference_library/minister_speeches/5483.aspx)

<sup>3</sup> [www.culture.gov.uk/reference\\_library/publications/5786.aspx](http://www.culture.gov.uk/reference_library/publications/5786.aspx) page 45



Channel 4 faces a more existential threat. Unable to sustain its valuable public mission in the face of declining advertising revenues, only a radical deal can save it.

The troubles that threaten ITV are equally menacing. Although its contribution to public service broadcasting has been immense, it faces a very uncertain future. And the old arrangement by which it received access to limited analogue spectrum and in return contributed to quality broadcasting has now broken down. Its public role must be reduced for financial reasons: but surely it cannot be swept away?

This analysis creates a clear need for intervention. And intervention there will be. Ofcom has recently published the third instalment in its review of public service broadcasting. It clears the way for some radical engineering to create a second major public service broadcaster out of the ruins of Channel 4. In response the government has set up the Digital Britain Taskforce which dealt with the future of broadcasting briefly in its interim report.

The precise nature of this intervention is unclear at time of writing, but it is reasonable to assume that it will not include any substantial lessening of the cost of public service broadcasting to the taxpayers. In some way or other, devices will be found to keep the ramshackle PSB machine on the road for a little longer. That can be guaranteed.

But there is one problem with this analysis: it is completely wrong.

Seldom has so much intellectual effort been expended to so little real purpose. For the crisis of broadcasting is in reality confined to a tiny number of decaying organisations and structures which were created in a different age.

## Never had it so good

Judged from the point of view of the *consumer*, not the terrestrial broadcasters, broadcasting is in a very healthy state. There is a good deal more choice for people; they have more ways to access good content; and there is now more material available for relatively low sums of money. The alarmist talk of crisis is misplaced. Even judged by the narrower definition of the availability of what is called public service broadcasting or public service content,<sup>4</sup> people have never had it so good.

This has been brought about by the expansion in broadcasting that has taken place over the last 20 years. The total amount of public service content available has increased greatly because of the explosive growth in the number of television channels, many of which provide it as a feature of their broadcasting.

More recently, similar content has become much more widely available through the internet, provided by public bodies, individuals, clubs and societies, charities, museums and galleries and so on. Although it is not broadcasting in the traditional sense, it is close enough to make little difference in policy terms. It is impossible to estimate how much more public service material the internet contains, other than to say it is virtually infinite.

The correct policy response to these developments would seem to be reasonably easy to grasp and to implement. *If the market is providing more, the state (through direct and indirect intervention) could and should do less.* That is not just a crude

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<sup>4</sup> These terms should be differentiated. Public service broadcasting is an organisational term that covers the regulated broadcasters like BBC, ITV, Channel 4 etc. Public service content (PSC) is material which meets the criteria set out by Ofcom, but it is provided by many organisations which are not required to do so by the regulator.

economic argument about saving taxpayers' money, although that is a perfectly fair reason. It is also an argument about freedom.

We should try, as a country, to have a broadcasting system which gives people (not broadcasters) as much freedom to choose as possible, and allows providers of content to work within as free a system as possible. As we know from experience, such a system is likely to provide diversity, improvement and growth.

### ***Cui bono?***

Unfortunately broadcasting policy in the UK is hardly dictated by rational considerations of the public good. When broadcasters, regulators, commentators and politicians speak of the crisis in broadcasting, they mean a crisis of *institutions* (often their own) rather than of broadcasting itself. The argument is made on the basis of a series of false and self-interested assumptions in which an inner circle of favoured organisations and a partial regulator organise the world as they wish while protesting loudly that the interests of the consumer are paramount.

Applying the good Roman maxim *cui bono?* to broadcasting policy shows that it has consistently been designed to favour two groups of people: political and cultural élites who wish to enjoy programming suited to their needs at the lowest possible direct cost; and producers of that content who wish to be insulated from true competition and thus prefer a remote relationship with those who generally pay: the viewer and listener.

The need for such content to be subsidised by the taxpayer is usually made on the basis that it represents a quality which the free market could never attain under its own steam.

Unfortunately quality is a very difficult word to define, and it is frequently used by people, including broadcasters and policy-makers, merely to mean the sorts of things that they themselves like. In the Communications Act the topic is fudged by imposing on Ofcom a duty to ensure the provision of 'a wide range of TV and radio services of high quality and wide appeal', which might be seen as an attempt to have it every which way.

Another reason given for state intervention is that such content must be available from more than one source, to prevent there being a uniform view of the world imposed by a single institution (in this case the BBC). That – the plurality argument – was a view that had some merit in the past when spectrum was limited. It is much less persuasive when there are so many sources of information universally available, both from broadcasters and internet-based providers.

Because it is so subjective, when making broadcasting policy we should avoid talking about 'quality' as much as possible, and instead concentrate more rationally on genres, or programme subjects and topics, which we wish to have as a society but which the market would either fail to provide or provides in insufficient quantities. It is then for the consumer to define quality via the mechanism of consuming the product. And in today's broadcasting system that does *not* mean that programming appealing to minority interests or sophisticated tastes will cease to be available.

Such an approach, if applied consistently, would however be very damaging to the organisational and social interests of a number of groups. They include:

- The terrestrial broadcasters (that is the BBC, ITV, Channel 4, and Five) which benefit from a system designed to fund them and preserve their privileges. The same goes for the

production houses, actors, musicians, facilities providers and so on who are all beneficiaries of their purchasing power.

- Politicians, who look at broadcasting for a variety of reasons, more-or-less disinterested. They have genuine concerns about quality or decency; they may regard access to the airwaves as useful to a democratic society or to their own careers; or, less openly, they may be inclined to think of unrestricted broadcasting as dangerously subversive. (That, incidentally, was why the apparatus of state intervention in broadcasting via the BBC was created in the first place.) For all these reasons, that predisposes a majority of them to favour a system which maintains a strong interventionist slant.
- So too with the regulator, Ofcom. Like all bureaucracies – and this is not a criticism of individuals, it is a systemic issue – it has a tendency to expand its operations and to grow closer over time to those it regulates. The particularly unfortunate aspect of this in broadcasting is that Ofcom is really responsible only for the management of a relatively limited number of institutions (it has responsibilities for harm and offence issues over a much wider group but that is less important in the funding debate). So it tends to assume that what it regulates, matters; and what it does not, does not.
- And of course – and most importantly – there's us. Or rather, the educated, articulate people who write for newspapers, go on chat shows, publicise books, enjoy opera, love the arts and so forth. What a splendid lot we are, and how natural it is that some means should be made to compel others to pay for our television pleasures!

All of these groups have a vested interest in maintaining the present broadcasting system in broadly the same form, and with the same degree of taxpayer support.

They are therefore champions of what is called public service broadcasting (PSB), a system which has, in its fundamentals, not changed since the BBC became a public corporation in 1927.<sup>5</sup> Its indirect and direct funding mechanisms (most notably the licence fee, but also spectrum access and Electronic Programme Guide (EPG) listings, protected sporting events, production quotas and so on) are a structure which operates very handily to remove money, and more importantly choice, from the pockets of the majority, to pay for the broadcasting that is particularly enjoyed by – and in a number of cases, provides a living for – a minority.

Such a view is controversial. For, as every schoolboy knows, British television is the best in the world.

It is certainly very good – at least in parts. It is popular in many countries, although its presence in the international broadcasting market is boosted by the happy coincidence that the US and Britain share a language. The BBC is one of the world's great brands, and it has fostered superb broadcasters and iconic programmes. Although the record of the other terrestrial channels is less stellar, they have had their moments. True, cynical punters can still be heard arguing that there are hundreds of channels yet nothing to watch, that is difficult to believe with 400-plus channels on offer.

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<sup>5</sup> The British Broadcasting Company, founded in 1922 by an alliance of wireless manufacturers, was in effect nationalised and given a royal charter in 1927. The charter is, as amended, still the basis of its governance and status.

The argument set out here is not about the creative resources of British television, which are good. It is about whether we require this level of government funding, intervention and regulation to ensure that consumers get the broadcasting content that they want. For, after all, the whole system is designed – allegedly – for their benefit.

The answer is that we don't: that there is a better way to produce diversity, foster choice, and allow people to spend their own money on what they want to see. That way is to restrict the amount of government-sponsored and regulated broadcasting – telling people what the Government wants them to hear – and to allow a much greater space for broadcasters and organisations that are genuinely viewer-driven – letting people choose what they want.

### **But who will do it?**

No political party – including the Conservative Party – has until now shown much appetite for tackling broadcasting, other than at the margins.

The terrestrial broadcasters, in particular the BBC, spend a great deal of money on fighting their policy corner. Much has been done to rebuild relations with the Government since the Hutton Report. And, why would the Conservatives want to pick a fight with the BBC when so much political capital has been invested in making the party popular again with exactly the sort of people who feel a vague sense of pride in the cultural contribution of the BBC or – perhaps more rarely – Channel 4?

Those arguments for the *status quo* had some logic in the days when spending the proceeds of prosperity and being sound on the environment were the challenges faced by Tory politicians. We live now in a harsher world. When paying for food and heating is an issue for millions, the self-satisfied world of state

television cannot so easily shut itself off from broader economic arguments. The recent Conservative announcement to freeze the licence fee is a sign that larger changes may be feasible.

So there might be an opportunity for the kind of radical – but logical and coherent – thinking which has been more-or-less completely absent from the debate so far.

The financial difficulties of terrestrial broadcasters will only grow more substantial, as too will the restraints on government spending in the years ahead. So now, for the first time for many years, is an opportunity for clearer thinking.



## 2. PRINCIPLES AND PRACTICE

If it is time to think anew about the television and the content we want, then we should approach the subject guided by an essential principle:

- The interest of the consumer/viewer/licence fee payer must be central to television policy. Public policy should try to produce a system that is likely to deliver the greatest amount of content to them that they *actively want to watch*.
- Any broader social purposes achieved by broadcasting, whether funded by the state directly or indirectly, are subordinate to the first principle and must be justified by some particular benefit that they bring, which is not achievable by free choice and market mechanisms.

### **The C-word**

This first principle might seem obvious, but in broadcasting policy terms it is highly controversial, because it omits one word: 'citizen'. Under the Communications Act 2003 the duty of Ofcom is set out as follows:<sup>6</sup>

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<sup>6</sup> Communications Act 2003.

'It shall be the principal duty of Ofcom, in carrying out their [sic] functions; (a) to further the interests of citizens in relation to communications matters; and (b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.'

The incorporation of the citizen clause at a relatively late stage in the legislation was done for a reason.<sup>7</sup> It gave a sound legal basis for Ofcom to intervene in the broadcasting system and encourage the provision of content which was – under certain untested theories of how broadcasting works – never going to command sufficient support, in their opinion, from consumers to be made for commercial reasons.

Much academic ink has been spilt over whether there is a genuine distinction between citizens and consumers, who are after all the same people. What is not in question is that Ofcom, which had originally been intended primarily as an economic regulator (with some powers over matters such as impartiality, harm and offence) found itself in the position of being a player in the field of broadcasting policy too.

The result is the system we see today: one in which the interests of consumers who pay for it all are subordinated to those of the regulator and its associated group of producers. That single word 'citizen' has opened up a great gate through which rushed any amount of excuses for spending other people's money on things they never knew they wanted.

To be fair to Ofcom, this a matter of degree, not a simple black and white argument. Some of the unpopular broadcasting that

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<sup>7</sup> See Sonia Livingston et al, *Citizens and consumers: discursive debates during and after the Communications Act 2003*, LSE, 2007.

is made at public expense is useful to society, in the same way that we might be delighted to know that public money is spent by the Arts Council on opera or modern dance performances which attract small audiences but make us feel good about our culture as a society. Hence the second principle set out above.

But these interventions have to be justified very carefully, because they are, however well-meaning, effective restrictions on people's right to choose their own broadcasting.

And in practice the principle has been abused to maintain – even to increase – public sector intervention in broadcasting, far out of proportion to the real need to support minority content. It has been used to justify the activity of the BBC on all sorts of platforms where it competes with private sector companies doing the same thing; and it has been extended to argue that democracy is best-served not only by having one avenue for state intervention in the BBC, but at least another in Channel 4, because to give one organisation a monopoly of state-supported content would be a dangerous infringement of public choice.<sup>8</sup>

As a result, the existing system is funded to produce material which is not distinctive and which could be provided by the market responding to consumer demand. The BBC's copycat reality shows and competitions are an obvious example, as is its habit of spending millions of pounds on imported US programming thus driving up the costs for commercial buyers.

We have ended up with a monstrous bureaucratic machine rather than the delicate instrument of intervention merited by the circumstances.

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<sup>8</sup> Hence, the argument goes, there must be direct or indirect state support for Channel 4 (as the company itself would prefer), or the creation of some new fund for public service broadcasting outside the BBC.

## The other C-word

There is also a psychological barrier here which inhibits any far-reaching reform. UK broadcasting policy-makers are not comfortable with the idea of customers. They are elitists to a man. The idea that, left to themselves, people would exercise free choice and would create a natural demand for a diverse range of content – arts, entertainment, soaps, documentaries, news and so on *ad infinitum* – is not an idea that has gained any traction. Policy-makers have always implicitly assumed that a broadcasting market would be subject to Gresham's law – bad content would drive out good.

In years gone by, the favourite bogeyman used by such people was to draw attention to the US market, which was alleged – despite the many cultural and social differences – to be a terrible warning about the dangers of a broadcasting free market.

We hear less of these warnings today, which were never wholly accurate<sup>9</sup> as it is clear that the best US broadcasting, particularly in drama, is now comparable and indeed superior to its UK equivalents. What has changed in the US is that technology has allowed the provision of high-quality programming to audiences that now have the opportunity to pay for exceptionally good targeted shows: a right they have exercised to our benefit as well as theirs.

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<sup>9</sup> Based on ratings, *60 Minutes*, a serious current affairs programme produced commercially, is the most successful broadcast in US television history. For five of its seasons it has been that year's top programme, a feat only matched by the sitcoms *All in the Family* and *The Cosby Show*. It was a top ten show for 23 seasons in a row (1977-2000), an unsurpassed record. In the UK it is thought that only state sponsorship will bring about such valuable PSB content.

That Gresham's law is wrong in the UK has been demonstrated over the best part of two decades by the large and flourishing commercial sector which is not subject to public service broadcasting rules and regulations. The assumption of a race to the bottom has proved to be completely false. The commercial sector is as diverse— indeed more so — than the PSB sector. It offers pretty nearly everything that PSB does, only more of it. And it is provided by companies that are directly accountable to the paying customer — who is now in charge of the process, without the middle-men of Ofcom or DCMS.

None of this is an argument in favour of a complete free market in broadcasting, or that state intervention should cease completely. There will always be a regulatory role on questions of harm and offence issues. Competition issues will arise in broadcasting as in any other sector. And it is perfectly appropriate for our society, expressing its will through the Government, to provide direct support to socially valuable non-commercial programming on an 'as needed' basis.

But it does mean we should be more sceptical. The questions we should ask much more pointedly are:

- how we fund non-commercial broadcasting content;
- through whom;
- how is accountability ensured;
- and how much of it we really want and need.

The wrong question to ask is: 'Do I and my friends like this?' (we might be able to pay for it ourselves, after all); rather, it is first, 'Is government action the only way to get this?' and second, 'Is it necessary?'

### **3. THE PURPOSE AND HISTORY OF PUBLIC SERVICE BROADCASTING**

#### **Definitions**

'To inform, educate, and entertain.' Thus John Reith defined the task of the BBC. The purpose of public service broadcasting has never been better expressed. There are the public purposes of the BBC, and the competing definition of Ofcom but they are just adaptations of the original – better and clearer – Reithian pronouncement.

Ofcom's defines public service broadcasting by four purposes and six characteristics. Its purposes are summarised as:

- Informing our understanding of the world
- Stimulating knowledge and learning
- Reflecting UK cultural identity
- Representing diversity and alternative viewpoints

And its characteristics are that it is:

- High quality
- Original

- Innovative
- Challenging
- Engaging
- Widely available

In a recent pamphlet by two expert authors, the following definition of the objectives of the public service system as attempted:<sup>10</sup>

'Four key public policy objectives for broadcasting can be identified that look set to continue to influence policy in the future. These are:

- driving consumer satisfaction;
- ensuring that wider social or citizenship benefits are delivered,
- achieving a fair distribution of access and take up across society, and
- supporting a thriving and dynamic UK creative business sector that contributes to the overall health of the UK economy.'

The characteristic that these definitions share is that they are broad. It is indisputable that the market provides material that meets all of the requirements set out by these authorities. The problem for defenders of a broadcasting system with a high level of state intervention is that the world has changed considerably since John Reith ran the BBC; and they have not.

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<sup>10</sup> R Foster and K Meek, *Public Service Broadcasting in the United Kingdom: a longer term view*, Social Market Foundation, December 2008.

There is nothing wrong with what Reith said at the time, because it rested on a solid fact: the BBC had a legal monopoly on all forms of broadcasting and it was duty-bound to serve the whole British public. Perhaps some at the BBC would have preferred to stick with informing and educating, but entertainment was permissible on the basis that it was a sort of fairground barker which would entice the unwary into the temple of culture that the BBC's wireless services would then provide. But even if one did not accept that austere vision, the basic principle that public service broadcasting had to be – well – broad, was fair enough.

### **The arrival of ITV**

Although not much noted at the time, the creation of ITV in 1955 and subsequently of Channel 4 and Five, fatally damaged that proposition. There was, on the face of it, no compelling reason why public service broadcasting should have been a *regulated duty* of those new bodies – that could (and should) have been left to the BBC.

Intervention was justified on two grounds. There were voices arguing that the BBC monopoly was bad for democracy.<sup>11</sup> However, the main motivating factor in the extension of the PSB system was paternalism and élitism. Without the state intervening, all we would have would be rubbish pumped out for commercial reasons to a public that would stop watching anything else.

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<sup>11</sup> An argument advanced by the politician Selwyn Lloyd in a minority report on broadcasting in 1949 which urged in ringing terms that once the interests of minority cultural pursuits were taken care of the rest should be left to freedom of choice. I am grateful to David Elstein for this reference although I draw a different conclusion about plurality from it.



The debates over the creation of ITV are capable of generating a certain mordant amusement in the reader, as the worthies of that long-gone age fulminated about the corrupting effect that unrestricted commercial television would have on the moral fibre of the nation. Reith himself, speaking in the House of Lords in 1952, was characteristically forthright:<sup>12</sup>

‘Somebody introduced Christianity into England and somebody introduced smallpox, bubonic plague and the Black Death. Somebody is minded now to introduce sponsored broadcasting... Need we be ashamed of moral values, or of intellectual and ethical objectives? It is these that are here and now at stake.’

### **Sky and the internet**

If the barbarians were already seen as being at the gates in 1952, they were certainly seen to be back again in force in 1989 when multichannel television, in the form of Sky, was born. There was of course a great furore about this, but for the first time also something genuinely new emerged in the debate: a provider of television created that was largely outside the control of traditional forms of broadcasting regulation. Indeed, Sky actively refused to be drawn into the world of public service broadcasting as it had been established.

The creation of Sky was said at the time to be a guarantee of precipitous decline in the standards of television, in exactly the same way as with ITV. *In neither case did that happen.* Nor has it happened with any of the developments which have created more freedom and choice in the broadcasting system. That is a lesson which policy-makers have stubbornly refused to learn.

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<sup>12</sup> [www.hansard.millbanksystems.com/lords/1952/may/22/broadcasting-policy](http://www.hansard.millbanksystems.com/lords/1952/may/22/broadcasting-policy)

Finally the creation and rapid growth of the internet has provided more and more public service content.<sup>13</sup> With the steady increase in download speeds, there will increasingly be little difference between conventional broadcasting and internet provision. Some of that is retransmitted material commissioned by broadcasters, but much of it is original – provided by governments, charities, museums and galleries or simply groups of enthusiasts.

The result of these developments is clear. If the purpose of the original intervention in the form of the creation of the BBC was to ensure that a wide range of material, some of it of high quality, was provided to everyone, then that purpose is being fulfilled to an extent that would have astonished the policy-makers of the 1920s.<sup>14</sup>

If the purpose of further intervention and the creation of the full PSB system in the 1950s and after was to obviate the danger that the commercial market would drive out quality television because people would not watch it voluntarily, then that intervention has proven no longer to be necessary. The market provides quality content and people continue to watch it. They exercise their choice and they consume a very wide range of material.

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<sup>13</sup> There are no statistics for internet websites containing public service content since the term is so vague. But as an order of magnitude, there are over 186 million websites worldwide (a number that increased by 20% in 2008) and 133 million blogs:. See <http://royal.pingdom.com/2009/01/22/internet-2008-in-numbers/>

<sup>14</sup> That is a generous interpretation. Much of the thinking behind the creation of the BBC was to ensure that broadcasting worked as an instrument of social and political control. The General Strike of 1926 had brought the issue of the BBC's status as a private company to a head.

## What is PSB for?

If that is the case, then why does the state continue to intervene? What is the point of regulated public service broadcasting? The reasons for continued public sector intervention shift and evolve according to audiences and contexts. But the main reasons adduced are as follows:

- There are certain sorts of programmes which would not be made at all, or in insufficient quantity, by the market alone. State funding, in some form or another, is required as these programmes are a public good that have value even if commercially unviable.<sup>15</sup>
- Comment: this is the most intellectually robust argument for PSB that exists. It is known as the ‘market failure’ argument. The downside of it for the PSB champions is simple: on examination, the number of programme types which fall into these categories is relatively small. As noted above, the definitions have a fatal flaw: they have to be broad to justify the *scale* of the intervention; but then regulation is largely irrelevant since the market is providing huge amounts of public service content without any need for state support.

The one issue with providing PSB to deal with market failure, is that unlike many other market failures, there is no requirement that people watch the remedy for the market failure (the PSB programming). Thus the failure could in theory never be fully remedied no matter how much money is spent to make alternative programming.

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<sup>15</sup> For example, this is the justification used by the current Director General of the BBC: ‘The only economic justification for the BBC – indeed for any public intervention in broadcasting – is market failure.’ (Speech by Mark Thompson, ‘Delivering Creative Future: The BBC in 2012’, 10 July 2007).

- The only way that enough UK productions will be made is through state intervention – and UK productions are fundamental to public service broadcasting.
- Comment: This argument has some validity but is overstated. Public service broadcasting should not principally be about the place where programming is made. It is much more important to concentrate on the nature of the content. Am I disadvantaged if the I watch a production of *The Magic Flute* from New York rather than Covent Garden? Or a documentary about Ancient Egypt made by National Geographic rather than Five? Not at all – I might indeed be better off because of the quality of the soprano or the expertise of the archaeologist.

Of course for cultural reasons people will rightly want to have a certain proportion of UK production in documentaries, children's programming, drama, sport and so on (and Ofcom's research shows that they do, at least in abstract terms). But most of those programmes (with the exception of children's television) would be made anyway as they have commercial value because of that popular demand.

The real reason why this argument has grown rapidly in prominence in recent years is presumably because the PSB lobby realises that the success of the multichannel sector and the growth of the content freely available to download from the internet pose a threat to their old argument about the need to preserve what they regard as quality: so quality must be redefined as exclusively *UK* quality.

A particularly bizarre example of the way this has distorted logic is the claim made by Ofcom that UK production is a fundamental aspect of helping UK viewers understand the world; and that public service broadcasting must not only be

original, but UK original.<sup>16</sup> These are very pleasing arguments for terrestrial broadcasters and UK production companies but have little to do with the essence of PSB as it used to be understood in the old debates about 'quality'.

- The UK cultural industries are a powerhouse, very successful, major export potential, employ a lot of people and so on (the fourth of the broadcasting policy principles quoted above).
- Comment: This is an argument of limited significance or merit, as the Treasury regularly has to point out to over-enthusiastic ministers from DCMS. It is one that is made with wearisome regularity by the arts and UK film industries too. The riposte is simple: if the economic potential of UK broadcasting is so fantastic, then it will attract investment by offering a higher rate of return on capital. If it is not, it won't. In any case, as we know from long experience just because something is doing well does not mean it will do a great deal better if the taxpayer spends money on it. That normally promotes poor decision-making, political interference, and in the end damages the very industry it was intended to assist.
- The PSB system is a useful tool for ensuring a vibrant and healthy regional broadcasting infrastructure.
- Comment: it might be a good thing for society to use state money, either directly or indirectly, to fund small creative hubs outside London. But it probably is not in the long term a sustainable form of investment. Either these centres are self-sustaining, or people employed there would be better off doing something more economically rational (or migrating to

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<sup>16</sup> Ofcom, *Second Public Service Broadcasting Review: Phase One, the Digital Opportunity*, April 2008.

London which is the only place in the UK with sufficient scale to operate in a globalised media).

- The final argument from the PSB enthusiasts is that, whatever the faults of the system, it is at least free. Free to air is an essential part of public service broadcasting: not everyone wants to pay a subscription or buy an internet connection. This is the argument on equality and access made above.
- Again there is a little in this – just not enough to justify the extent of intervention we have. Free-to-air is not truly free as everyone has to buy a digital television set or a Freeview box and a TV licence. There is nothing morally superior about that, compared to someone who watches the BBC i-player on a laptop or has a satellite or cable service – indeed, since these are bought by people exercising free choice, it could be argued that they are far more in tune with democratic values than being compelled to pay a tax whether one consumes BBC services or not. But the proposition that some content of social value should be available free-to-air to everyone with the money to buy a set is generally accepted – which is why the idea of a wholly subscription-funded BBC is a non-starter.

The conclusion one is forced to, is that the ideal of public service broadcasting is a fine if narrow one. But most of the arguments in favour of extensive intervention in the market are thin. Most types of public service content are provided for commercial reasons, either on mainstream channels (news, UK sport, UK popular drama) or non specialist subscription channels (arts, hobbies, documentaries).

That activity should be supplemented either through direct government intervention and regulation, to ensure that, for example, enough of it is about the UK, or is free-to-air, or covers very challenging topics. And that is where the BBC comes in.

## 4 THE ROLE OF THE BBC

The BBC is a fantastic brand and its contribution to the history of British television is unequalled. Yet anyone who has had to spend much time with its managers and numerous lobbyists,<sup>17</sup> struggles to remember that glorious record in the face of so much intellectual self-satisfaction and so little sense of obligation or accountability for the vast wealth which the BBC has. More importantly, there seems very little awareness of benefits of the long-term funding certainty that it enjoys, an advantage denied to all other operators.

But these considerations should be put to one side. The BBC must remain central to public service broadcasting. If one accepts the argument that there is a case for state intervention in the broadcasting market to correct market deficiencies and shortfalls then there is no need to cast about to find new vehicles to achieve it. The simplest and best method is to use the BBC. That's what it is there for.

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<sup>17</sup> During the author's three years working in the public affairs function of Sky, he never met the same BBC opposite number twice. Either the Corporation has a fantastically high turnover of staff, or its lobbying and policy team is very large indeed.

## **An alternative BBC**

If we were inventing the BBC now, it would no doubt look rather different to its present form. It came into being when there was no other broadcasting organisation, and subsequently has simply expanded as fast as its resources allow.

A brand new BBC would almost certainly be kept tightly focused on delivering what the market cannot do, or does only to a limited extent. That might indicate a smaller but rather more intellectually distinguished corporation: impartial news and current affairs, factual and documentary programming, children's television, classical music, speech radio – and little more.

If people argued that the new BBC should also run commercial-style radio stations, or offer general entertainment programmes, or cover Formula One, or buy US imported programming, or show celebrity dancing competitions, they would be politely reminded that there was no purpose in mimicking the commercial sector with taxpayers' money.

But it is not practical to assume that we are inventing the BBC (in other words state intervention in broadcasting) from scratch. We are where we are – currently stuck with a huge BBC that does all of the above, and more, and gets upwards of £3 billion a year to do so. And to compound the difficulty, the BBC is not a static organisation. It has a tendency to expand.

So we have two issues to deal with. First halting BBC expansionism, and then liberating the BBC to deliver its core public service duty.

## **Why is the BBC so expansionist?**

BBC expansionism has been clear for a long time. Far from being a powerhouse of originality, the BBC is a persistent me-



too broadcaster with a serial record of imitation. Pirate radio stations spawned first Radio 2 and then Radio 1. Sky News brought forth BBC News 24 (virtually until the moment of launch the BBC official line was that there was no need for rolling news). ITV and Channel 4's success with reality TV and phone voting saw the BBC hurrying to catch up (it also imitated its rivals in mismanaging the voting systems). The BBC is too often a parasite on other's ideas to allow its claims of creative contribution to be taken at face value.

The reason for this intellectual larceny is a combination of psychology and policy. The psychology is simple. The BBC has a powerful culture and a strong sense of its mission and ethos. Like the civil service (which it resembles far more than it does other broadcasters), its self-esteem rests on the unflinching belief that what it unselfishly serves the public.

It is a very easy step from that to believe that its activities and plans are inherently right and good – and more insidiously, that those who provide the same services for commercial gain are morally inferior. This disparagement is not something that the BBC would ever admit to – its habitat is the moral high ground.

The other reason for persistent expansion is something the BBC does admit to. If it is funded by a universal tax (the licence fee), then it is under a corresponding obligation to seek to provide services of all kinds to all people. For otherwise, why should they pay specially to keep one organisation going in a world of choice?

### **The licence fee**

Any discussion of British public service broadcasting comes with horrible inevitability to the licence fee. It has very little logic behind it as a funding mechanism as consumption of BBC services declines in a fragmenting media world and it is

patently unfair – everyone pays the same regardless of how much BBC they watch or how much they earn.

The debates over its future have been long and tedious. They usually divide into two points of view: those who argue that it is a necessary illogicality – a simple, relatively efficient way of funding public service content; and those who find its regressive nature off-putting and prefer the BBC to be funded in some other way, like subscription or advertising – or got rid of altogether.

The question has of course been sharpened in recent years by the remarkable increase in the availability of public service content offered by the multichannel sector and via the internet.

At one stage the BBC itself made comments that suggested that it was prepared to consider a future without the Licence Fee. That speculation died away when the Corporation realised just how tough it might be out there. As far as public statements go, the BBC stands four-square behind a licence fee regardless of how low its share of viewing falls as choice expands.

In order to maintain the legitimacy of the present licence fee system, the BBC is therefore condemned to continue to compete on all fronts and to try to win viewers from all backgrounds and interests. It will have to continue to pay for US imports; to bid against ITV and Sky for sport; to take on ITV in entertainment; and to do all of those things to a mediocre standard, rather than provide excellence in the areas where it could really make a difference and where competition is either non-existent or fragmented.

An alternative would be to fund the BBC directly from taxation. But that simply replaces the licence fee with another tax. And since all of us, bar the very poor or very rich, pay tax, we have advanced the argument no further. Direct funding would at least

be honest: as a society we would say that we value some types of programming and we will fund an organisation to provide them.

However the BBC in any case has always resisted such an idea which it believes would imperil its editorial independence. This is an odd argument to make in the light of the regular battles with government over the level of the licence fee and other matters such as salaries for its on-air talent, but let us for the moment assume that the BBC has a real point.

The options would therefore seem to be twofold. One is very simple but would take an enormous amount of political courage. That would be to identify the programming and services that the market does not and could not provide and tell the BBC to provide them. Nothing else.

That sort of BBC would be focused on current affairs and factual programming; on intellectually distinguished UK drama (both classic and *avante garde*); on the fine and performing arts; on speech and music radio (again both classical and modern); on regional news; on UK-originated children's broadcasting. In short, it would be a truly Reithian BBC that would fully deserve a high reputation.

Although the commercial sector might not welcome it, that would send large parts of the Corporation out into the world to make its own way. The power of a subscription and advertising-based BBC1, say, would be unwelcome to Sky but good for consumers. A commercial Radio 1 (surely the most unnecessary part of a public service broadcaster) would be tough for existing commercial radio stations. But at least the unfair advantage of running a popular music station paid for by a compulsory tax would end.

One result would be an immediate and rapid reduction of the licence fee. That would be good in its own terms – people would have more money to spend on what they wanted. But the effect on the BBC and its suppliers, and on the broader broadcasting market, would be very turbulent.

The alternative is to adopt a gradualist approach which enables both the BBC and its commercial rivals to adjust over time to this major shift, yet ultimately reaches the same small BBC/small licence fee destination. To do that it is necessary to decide on four things:

- The immediate freezing of the licence fee to exert financial discipline on the Corporation.
- A requirement to achieve a certain amount of revenue per year by disposing steadily of broadcasting assets in a planned way (Radios 1 and 2 and the BBC's digital stations being at the head of the queue).
- An increasingly tight remit for the BBC, which excludes buying in overseas content of interest to commercial channels and pushes resources towards the genres which are underserved – real public service content.
- As these measures kick in, progressive reductions in the licence fee to reflect the narrowing extent of BBC provision.

This solution will face objections from both sides. Unrepentant free-marketers will object that this system preserves a considerable amount of government intervention. They might add that it perpetuates a system – the licence fee – through which everyone pays the same though consuming widely variable amounts of BBC programming. Unqualified supporters of the BBC will regard it as another cunningly disguised attack on the Corporation by the forces of commerce.

But there is no contradiction between wanting to have good public service content on television and wanting an efficient and non-expansionist BBC. The two propositions work well together. And, most importantly, the BBC's tendency to copy others would be greatly restricted. Much tougher choices would have to be made about whether to do anything at all beyond the core BBC which would be guaranteed funding now and in the future.

In the longer term this will also be good for the BBC itself. The public has a schizophrenic attitude to the BBC. Many people give it almost unqualified admiration. But the Corporation is also prone to mistakes – sometimes because of its anxiety to appeal to young people with more 'edgy' material.<sup>19</sup> This brings it into disrepute. A BBC more focused on what would be an unimpeachably respectable public service mission would not run these risks. It would – rightly – be much closer to the vision of its founders than what it has become.

Above all, this is a practical suggestion which takes us from where we are now, with an excessive amount of intervention in the market, to a future in which taxpayers pay for genuinely valuable and distinctive public service content, and have a free choice to spend money which they are currently compelled to give up to be spent by others. And that is always a good thing.

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<sup>19</sup> Hence, in the recent past, the terrible errors of judgement in the Jonathan Ross/Russell Brand affair. And the breaches of faith in competitions and phone-ins.

## 5. THE PLURALITY DEBATE

Arguments about the role of other public service broadcasters normally begin with the issue of plurality. It is taken as read that it is a good thing if there is more than one provider of PSB and before one knows it one is deep into arguments about top-slicing the licence fee, funding Channel 4, establishing a special public service content fund and so on.<sup>20</sup>

Indeed the argument is said to be settled. According to both Lord Carter and Ofcom, the principle that there should be more than one provider of PSB is accepted. The question is, apparently, merely how to achieve it?

One should naturally be very careful when disagreeing with such august figures. One should also be realistic. A lot of capital has been invested in the idea of saving PSB plurality. Some sort of deal will be stitched together in the near future to ensure that a second PSB broadcaster survives, probably by reengineering Channel 4.

Nonetheless, this effort is futile. And the principle behind it is misguided. The effort is futile because it flies in the face of

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<sup>20</sup> It would be heretical to note that for a long period, despite its alleged disadvantages, there was only one provider of PSB in the UK – the BBC (between 1929 and 1955). Yet the nation survived.

market trends and can at best keep a new entity afloat for a few years. But the principle is also wrong. *There is no longer a need for an alternative PSB provider.*

Ofcom's favourite argument is simple. We should have competition in PSB because that is what the public wants.<sup>21</sup> But this is the usual confusion between programmes and genres on the one hand (where the public does indeed want choice); and on the other hand, providers or institutions which have a vested interest in their own survival.

According to Ofcom's research, the public wants to see more of all sorts of public service broadcasting – regional news, UK this and that, current affairs, dramas. We are a Reithian nation! This is splendid stuff. The only pity is that the mass audiences for such fare as 'serious factual made in the UK' do not switch on.

But there is a serious point to be made here. There is an alternative and better way to plurality. What the multichannel sector now offers is the ability to provide highly segmented public service-style programming which meets the need of the small but dedicated audiences who do\_want this kind of material. If anyone objects that those services are provided largely on a subscription basis, and are hence unavailable to the poor, then the answer is that we will always have the BBC as a backstop. No one will lose their free-to-air access to such material. Indeed the vision of the BBC set out above would mean that they could have more of it.

The idea that PSB choice, in a world of multichannel competition and internet provision, can only be provided by creating a competitor to the BBC out of the rotten timbers of a

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<sup>21</sup> See, most recently, *Putting Viewers First: Ofcom's Second Public Service Broadcasting Review*, January 2009.

collapsing PSB system is a tragedy. It is a policy made with the best of intentions but by people who have failed to grasp the pace of change in the world around them.

There is one particular argument that deserves further examination, however, because it has the greatest merit. That is the idea that allotting all state support to a single broadcaster is dangerous for democracy because of the uniformity of editorial tone that would result. Or, as it was put to the author by a very distinguished broadcasting thinker, having only the BBC as PSB-provider would fail the 'Mandelson test'.<sup>22</sup>

That last argument might have been compelling in the absence in the pre-multichannel, pre-internet days. It is now less convincing. Even if there is a genuine issue about the status of the BBC as a monopoly supplier of PSB news or current affairs, then the solution to the problem is certainly not the use of public money to prop up Channel 4, which would be wholly disproportionate response to the scale of the problem.

In any case one has to ask the question whether impartial news or UK current affairs would cease to exist if it were not regulated. All Ofcom's research shows the value which audiences ascribe to these genres. Is it likely that ITV or a (privatised) Channel 4 would abandon mainstream news simply

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<sup>22</sup> In 1998 Peter (now Lord) Mandelson, a Labour government minister, was described en passant on a BBC programme as homosexual. Although this was widely-known at the time, it was decreed by the BBC's editorial side that any subsequent mention of Mandelson's sexuality was impermissible, although the newspapers and other broadcasters covered the story. Older examples of such BBC censorship include the lack of coverage given to Churchill in the 1930s, the fawningly deferential style of BBC political interviews in the 1940s and 1950s, and the decision of the Corporation to avoid covering any political issues at all during election campaigns until 1959.



because the regulator stopped asking for it? Or that Sky News would turn itself into a UK version of Fox News given the chance?

Any champion of freedom and choice must seek to minimise the amount of government intervention in broadcasting and allow people to decide what they want to watch. The funding and privileged position of the BBC is entirely sufficient to provide the societal benefits attributed to state-funded PSB. A free market will provide a service to mop up any unsatisfied demand that exists.

The remaining arguments for plurality have even less merit. For example, as put by the BBC (in the days when they and Channel 4 were on speaking terms) Channel 4 'keeps the BBC honest' – in other words compels it to maintain its PSB performance.

That statement is mystifying and largely untrue. There is no reason why the BBC should have a competitor to maintain its commitment to PSB: that is not only part of the BBC's ethos but is required of the Corporation by its charter and agreement. The only reason the BBC says this is because it fears that if it were the sole provider of PSB it would be required to stop its commercial-style copy-cat broadcasting and focus on what the market does not provide. But that, as noted above, is what it should be made to do anyway.

The final argument made is to suggest that what is needed is not a single provider of additional PSB, but some sort of 'Arts Council for Broadcasting' which would offer funding to organisations that wanted to provide PSB, in the same way that the Arts Council funds arts companies.

The Ofcom version of this idea was called the Public Service Publisher, which began as an idea to commission programmes,

mutated into a proposal to fund internet content, and finally died unmourned as unjustified. There are signs recently that Ofcom is mulling over a revival.

Such an organisation could deal with the issue of editorial monopoly noted above. But we should question whether there is any genuine need for such machinery. The growth of PSB-style content in the non-state sector and internet, would seem to offer the editorial diversity that democracy requires, without taxpayers being called on to fund it.

Arguments about plurality have thus now been reduced by Ofcom largely to the need to maintain more than one source of *UK* origination in PSB, allegedly because of popular demand. Of course Channel 4, which does not currently produce programmes of its own, has a strong record in this area and a willing chorus of supporters from among UK independent producers. But this is not a substantial PSB argument as we have seen. It is the interests of consumers, not producers, that should carry the most weight. If consumers really do prefer UK-made content to the extent suggested in Ofcom's research, then a mass market outside the BBC will continue.

That indeed seems likely. Examples such as UK popular drama, comedies and sitcoms, or investigative current affairs have their own commercial justification. It reveals a fairly low estimate of the UK viewer to assume that none of that would be provided without state intervention. But, as we noted above, having a low opinion of the UK viewer has been part of broadcasting policy orthodoxy for decades.

### **The future of Channel 4 and ITV**

Despite this clear evidence, much thought is currently being spent on the survival of Channel 4 and the future public service obligations of ITV. It is a measure of how irrelevant much of

broadcasting debate is to the viewing habits of the population and how much is focused on the concerns of a metropolitan minority.

The Channel 4 issue is a simple one. While there was once a tenuous justification – and a funding model to go with it – for a second state-owned channel to increase the amount of ‘challenging’ public service broadcasting, neither of those two elements are now valid. We have plenty of other providers of PSB content and apparently Channel 4 can only, on its own evidence, continue to supply it by being given state help.

Any sensible government would reject that request immediately, on a number of grounds. We already have one generously funded state broadcaster. If it is felt to be deficient in certain types of programming then it can be directed via the Charter to provide them, without diverting more taxpayer’s money to a failing business.

None of the mechanisms for doing so stand up to examination in any case. The BBC licence fee at least has the virtue of simplicity. Proposals to give Channel 4 a cut of the BBC’s income, either by ‘top-slicing’ the licence fee, or by granting it a share of the commercial revenues of the BBC from BBC Worldwide, or by some other ‘sharing’ or ‘partnership’ agreement have no virtue at all, being – if possible – even less logical than the licence fee itself.

The choice for Channel 4 is in fact a simple one. And it is a choice the organisation should itself make.

If Channel 4 believes that its core mission still has some validity then it will have to live within its means to deliver it. It could learn a lesson from its expensive and ill-fated ventures of recent

decades: film production, digital channels, DAB radio and so on, and draw on its reserves to tide it over.

If the current management feels that this is an impossible task or cannot cope with the challenge, then the organisation should be sold into the private sector. It might well be that with a more commercially-adept leadership, and a powerful brand in the UK marketplace, that the resulting company would be not dissimilar to the current one, but with a focus on broadcasting excellence rather than holding out the begging-bowl.

But for the sake of clarity, let us repeat that privatising Channel 4 would not be done in order to preserve its current output. That would be a matter for management and market. If there were deficiencies in the stock of PSB as a result, those would be met by requiring the BBC to fill the gap. The plurality argument is dead.

Even less time needs to be devoted to ITV. Why this commercial broadcaster has any public obligations at all, years after they were relevant, is a mystery that only the glacial pace of change in British television can explain. Nor is it easy to understand why ITV itself clings to its PSB status while at the same time seeking to evade contributing what it used to do so well: children's programming and regional news.

To be fair, Ofcom destroyed the financial justification for commercial PSB children's programmes by implementing restrictions on advertising at the behest of the government. And people's desire in the abstract for regional news is clearly far in advance of their actual interest in watching it.

However the time has surely now come to cut the remaining state ties to ITV and to allow the organisation to flourish or decline on the open market. It is possible that there is a

structural decline in television advertising revenues which make ITV's survival as a (mainly) terrestrial broadcaster uncertain. That will be unfortunate but certainly not terminal for British broadcasting.

There is also a wider conclusion to be drawn from the debates over Channel 4 and ITV. It is the institutional obsessions of broadcasting's policy-makers. What matters about Channel 4 and ITV is what they have, do, and might contribute to the public service content available to the UK consumer. Their institutional survival is of deep and understandable significance to those that work there and to their suppliers, but in policy terms it is irrelevant.

## **6. THE BROADER LANDSCAPE**

Ofcom's failure to understand or integrate wider developments into its policy-making is a matter of much more concern because it has resulted in fundamental distortions. There are two principal errors, both of which have been touched upon.

The first is to fail to attach sufficient weight to the actual and potential contribution of the multichannel sector. Twenty years ago terrestrial broadcasting was all there was. Now there is a vibrant multichannel sector which contributes substantial amounts of public service content.

It is not the case that Ofcom ignores this development completely. But it prefers to acknowledge it as briefly as possible and then to make policy as if it were not in existence.

It offers two justifications for this odd behaviour. It places a disproportionate emphasis on UK production as a key element of PSB; and it then further creates 'classes' of PSB by excluding sport and films from its calculations, even if they are UK-produced. There are no theoretical or historical justifications for this: they are merely transparent attempts to undervalue the multichannel contribution to PSB.

We must repeat the points made above: while it is no doubt useful if a certain amount of public service content broadcast in the UK is made there, PSB is principally about genres, not about countries of origin. And on everyone's definition, including both the BBC's and Ofcom's, the broadcasting of UK sport is right in the public service heartland (and a good deal easier to understand as classic PSB than – say – transmitting the Formula One season, currently moving from ITV to the BBC).

But the multichannel contribution to PSB is a good deal more important than its coverage of UK sporting events. Anyone who explores the Sky EPG, or looks at the channel choice on Freeview or BBC Freesat will immediately see that the economics of broadcasting have fundamentally changed. From a system in which programmes with mass appeal were the staple diet of broadcasting, we have moved to a world in which niche audiences can be given the specialist material they want to a depth that was unimaginable 20 years ago. Devotees – to take a series of random examples – of cookery, religion, arts, travel, literature, classic films, documentaries or news are now in a position to have their desire for in-depth material on these subjects and many more.

Ah yes, say the sceptics. But if one compares the amount of original commissioned material (excluding sport) available from the multichannel sector with that produced by the UK terrestrial broadcasters, the contribution made by multichannel is still small. True enough. But that hardly matters. No one imagines that the BBC will be abolished or that the other terrestrial broadcasters are going to stop producing UK PSB material overnight – there is a commercial demand for a great deal of it. Coronation Street and Midsomer Murders are examples of the kind of PSB programming that meets all the regulator's tests and would still exist without any regulatory compulsion.

The impact of the multichannel contribution is that more people have far more access to content which, wherever originated, qualifies as recognisably public service. The quantum of that content has gone up vastly, and that has nothing to do with government or regulatory intervention. This is a good thing. British broadcasting should be celebrated. Ofcom's virtual silence on the matter is both puzzling, and illustrates how little the organisation can see beyond the bodies it regulates in order to understand the television consumer.

Another important point is that this is not a static picture. The multichannel sector, with its subscription-based model, looks like a far better long-term bet than terrestrial PSB channels that are reliant on an advertising market which is in structural decline as advertising moves to the internet. The likely result is that UK origination will increasingly be taken up by the multichannel world for good commercial reasons. Ofcom should plan for and encourage this trend.

That would be a positive development in its own right, since a market-driven commissioning system of that nature would be more flexible and efficient than the regulated commissioning structures which dominate in the old terrestrial sector, with their production quotas, windows of creative commissioning, regional quotas, and other regulatory interventions.

That conclusion would be reinforced by a much greater awareness than Ofcom currently shows of the importance of internet content. The internet is not yet a complete solution to the provision of public service content, but it is the multichannel sector writ large: an increase in the availability of such content which is greater than any policy-maker would have dreamed only a decade or so ago. Nor does it show any sign of decline.



Naturally the emergence of a major positive development owing next to nothing to the UK élite has been largely ignored in policy terms. Indeed the unregulated nature of the internet has attracted attention both from politicians, who in Europe and the UK see that as a threat; and from the devotees of a pseudo-science called media literacy who see it as an opportunity to sell their wares.

Once again the conclusion is clear. The interests of the consumer are being met by non-regulated providers. A decline in state intervention is a necessary, desirable and inevitable consequence.

## **6. AND FINALLY...**

The future for UK television is, broadly speaking, positive. The UK has a strong creative industry, good programming and some great brands: the BBC and Sky being pre-eminent. If there were more freedom and less regulation and intervention in broadcasting, the UK has the skills and capabilities to take advantage of the new opportunities that would follow.

But far too much attention, time and money is being wasted on propping up the old PSB system rather than in allowing the flourishing multichannel sector to develop. The problems of a few organisations are getting in the way of developing a system which could truly serve UK consumers today.

Over the past eighty years, it is notable that all major steps forward in broadcasting have taken place under or by Conservative Governments: the foundation of ITV and Channel 4, of BBC2 and of Sky all fall into this category. While the Conservatives can claim no special expertise in broadcasting matters, it does appear that they are less inclined to swallow uncritically the idea that British television should change as little as possible.

We are now at a similar stage. Clinging to the past is an option that has only the self-interest of established broadcasters and their allies to recommend it.

Their arguments should be decisively rejected. The next Government should be prepared to face down élitism disguised as a concern for standards and build a system that really meets the needs of British consumers, voters and society.

We are constantly told the British broadcasting system is in crisis. Ofcom, the Government, and the terrestrial broadcasters agree that something must be done to preserve the unique qualities of British television.

Not so. From the point of view of the people who really matter – the consumers – British broadcasting is flourishing. People have more choice, better content, and more ways of accessing it.

The right response is clear: if the market is providing more – and it is – the state should do less. So it is time to accept that public sector broadcasting only has a very limited role to play in the age of multi-channel television. The remit and funding of the BBC should steadily be reduced and the other terrestrial broadcasters given the freedom to succeed or fail according to how well they meet the needs of their viewers. Let's put people, rather than politicians, in charge of broadcasting.

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