

Switching channels: A more pluralistic future for the BBC

EMRAN MIAN

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KEY POINTS

- The ‘public purposes’ that underpin the role of the BBC in the wider market have a high level of popular support.
- But, because the BBC dominates how those purposes have been fulfilled in our experience, we are unlikely to be effective judges of whether the BBC is good at living up to its mission of public service broadcasting. It has a dominant market position and remains the exclusive recipient of licence fee funding. The game is rigged in its favour.
- Nevertheless, accusations of political bias, made by all sides, persist. Those using the BBC are on the whole older and richer than the base of licence fee payers. And audience research suggests that connecting to younger and minority audiences is an ongoing challenge, with the BBC’s performance getting worse rather than better.
- The solution is to introduce greater pluralism into the BBC, break the hold of a single view of how to do public service broadcasting with the funding provided by the licence fee.
- For example, licence fee funding should be used to commission out BBC Two and Radio 2. This will create alternative interpretations of how to do public service broadcasting; and a real life experiment in whether those alternatives are higher quality, lower cost, more innovative or can reach a larger or different audience.

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ABOUT THE AUTHOR

EMRAN MIAN

Emran Mian is the Director of Social Market Foundation. He is the author of two books, *Send In The Idiots* (Bloomsbury) and *The Banker's Daughter* (Harvill Secker).

Until September 2013, he was a civil servant. His previous roles include policy responsibility for constitutional reform; Secretary to the Browne Review of Higher Education Funding and Student Finance; Director of Strategy at the Department for Business, Innovation and Skills and, most recently, Director responsible for the Cabinet Office and Number 10 Business Partnerships team and working with Government Non-Executives.

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INTRODUCTION

The debate about the future of the BBC is underway. There are many issues that run through it - how to pay for the BBC, how well it uses the money - though the most fundamental question is about its purpose.

Since the advent of digital broadcasting and content streamed over the internet, spectrum is no longer the scarce resource that it was when the BBC was created. The costs of entry to the market have fallen. There is a lot more for us as viewers and listeners to watch and listen to. As Culture Secretary John Whittingdale puts it in the foreword to the Green Paper that started the Charter Review, “What should the BBC be trying to achieve in an age where consumer choice is now far more extensive than it has been before?”¹

The BBC Trust, in its initial response, makes a suggestion - a ‘proposed set of public purposes’ for the BBC - headlined by “providing news and information to help people understand the world around them”. This is canny; if public service broadcasting has any irreducible core, then it must presumably be this. From Reith onwards, the BBC and others have consistently spoken about public service broadcasting in these terms.

However, disregarding what the BBC provides, do people lack for news and information about the world around them? There are plenty of websites that are free to access. They provide a range of perspectives. Many of them feature audio and video. Commercial broadcasters supply news and information too. Even if viewer demand didn’t compel them to, regulation could require it, and indeed already does for ITV, Channel 4 and Channel 5. The Culture Secretary’s question isn’t so easy to answer.

GUIDED BY VALUES

But then the BBC Trust has more to say. It isn’t merely that the BBC provides news and information to help people understand the world around them, it does so under the guidance of a particular set of values or duties. The Trust’s research says that those considered most important by licence fee payers are: independence; impartiality; value for money; and the highest editorial and creative standards.² For example, 86% of survey respondents say that it is important for the BBC to be “impartial in news and current affairs”; and 81% want the BBC “to set higher standards than other broadcasters”.³ Whether the BBC manifests these values at the moment, or not, is a moot point; in other words, if it doesn’t, then that can be fixed.

However, the burden of proof on the original issue - expressed in the Secretary of State’s question - is not discharged by what the Trust says, i.e. it may be that consumers have the choice of accessing news and information from other providers apart from the BBC that also manifest these same values. If they do, then the case for the BBC hasn’t been made. It’s only if the market does not contain other providers with these same values that we can confidently say that the BBC does occupy a gap in the market.

COMPETITORS

Well, which is it? It's certainly true that other broadcasters are under regulatory supervision too; notably ITV, Channel 4 and Channel 5 all have some public service responsibilities. But past work by both Ofcom and the BBC has shown that public awareness of their role in public service broadcasting is low. As a research report commissioned for Ofcom put it, "the most immediate link [to public service broadcasting] was with the BBC, with some also aware that Channel 4 is defined as a public service broadcaster. There was next to no spontaneous recall of ITV having public service obligations, and none at all for Five."⁴ Or, as a focus group participant in research for the BBC remarked, when asked about public service broadcasting, "It's the BBC basically – that's what it means to me."⁵

In terms of the wider market, the answer to whether the BBC faces any competition in delivering the public service purpose is harder to provide, perhaps because there is no objective answer. Is Sky an independent, impartial and value for money provider of news and information, with the highest editorial and creative standards? Is BuzzFeed?

Perhaps the strongest evidence in favour of the BBC – that it does occupy a gap left by others – is that so many people turn to it for news and information while identifying it with these values. Despite the choices that people have, they go to the BBC more than anyone else; and it is suggestive, for example, that while the average viewing share of ITV has been falling in recent years, that of BBC One has held up.⁶

The BBC does have two substantial advantages: money; and incumbency. Perhaps we can control for the first of these in analysing the BBC's performance. The BBC Trust, for example, calculates that 20 years ago, in 1994, consumption of the BBC was on average 19.8 hours per person per week at a licence fee cost of £147.44 in current prices; compared to now when consumption is slightly higher at 21.3 hours per person per week at a slightly lower licence fee cost of £145.50.

But then there is the incumbency effect. However, that effect ought to be weak in broadcasting. Switching costs are non-existent; all it takes is the click of a button. Commercial rivals could say that some viewers are put off their content because they have to fund themselves through advertising whereas the BBC can run programming that is interruption-free. Perhaps. But then that's an argument in favour of provision funded through the licence fee.

INCUMBENCY

What incumbency effect does exist might be better described as culture. Put it this way: the Church of England is the dominant market participant in the Christian religious sector. It is an incumbent but to describe its status as incumbency would be pretty peculiar. Actually its status as the established church is constitutive of the culture of organised Christian religion in England.

To the extent that the BBC is an incumbent, the same argument applies – people in the UK go to the BBC for news and information delivered with a public service broadcasting ethos because the BBC's provision is constitutive of what people seek as that type of news and information. Theoretically, they could seek something different, just like a worshipper who belongs to the Church of England could participate in a Baptist ceremony, but that's sort of missing the point.

What is more, it's likely that this effect goes wider than news and information into some entertainment programmes, drama, coverage of the Royal family and landmark sporting events

such as the Olympics. BBC One as a whole is watched by an average of 41 million people per week; and the average viewer has it on for 7 hours 15 minutes per week. This is an extraordinary breadth and length of engagement, significantly more impressive than the Church of England. What is more, there is more competition than ever and the BBC itself has created 7 further channels in the past 20 years. But British people keep watching the BBC, especially BBC One, to an extent that means it is no overstatement to say that watching the BBC is part of being British: it's our common experience.

INTERPRETING THE VALUES

However, that bald statement of fact isn't the end of the matter by any means. Let's loop back to the values or duties underlying the purpose of the BBC: independence; impartiality; value for money; and the highest editorial and creative standards. How well does the BBC manifest these at the moment?

Its performance on one of them – value for money – can be benchmarked to other providers in the UK and elsewhere. That isn't a central concern for this essay, though it's certainly an important exercise for the Charter Review.

The harder values to judge the BBC's performance on are independence, impartiality and the highest editorial and creative standards. This is because, just like the BBC's output is constitutive of British culture, the way in which the BBC has over decades carried out its public service duties is likely to be constitutive of what we think independence, impartiality and the highest editorial and creative standards mean in practice.

In other words, the game has been rigged in favour of the BBC. When we think of independence, we think of Jeremy Paxman's interviews. Impartiality is the name of the style in which the BBC presents controversy. We're exposed to more and other forms of quality and creativity – fair enough. Nevertheless, scratch the surface of what most of us mean by the highest editorial and creative standards and it's likely that much of the time we're thinking of something brought to us by the BBC. The reality is that we are ourselves the worst possible people to judge whether the BBC manifests the values we're talking about because it's only through the BBC, in the largest part, that we know what manifesting these values looks like.

PLURALISM

We are more independent-minded, I suspect, than the description in the previous paragraph suggests. And, as I have noted, other broadcasters have public service responsibilities too. So, I am exaggerating. Fundamentally though, sustaining the role of the values or duties that we value as viewers in the remit of public service broadcasting is an important objective to pursue; and critical to that should be creating a pluralistic model for public service broadcasting rather than having all creative and editorial judgements on the use of licence fee funding ultimately made by a single organisation.

In other words, this essay endorses the idea that the BBC should retain a special purpose, despite changes in the market, but proposes significant reform of how the BBC delivers that purpose, especially for as long as it does so as the exclusive recipient of licence fee funding and from a dominant market position.

SWITCHING CHANNELS

The best way of explaining the need for such reform is to show the shortcomings of the BBC Trust's own proposal for strengthening the public purposes of the BBC. They have suggested that "any future regulator of the BBC should be given a responsibility to test the impact of the BBC against its purposes, and to assess how well it fulfils its duties."

That is fine so far as it goes but it doesn't deal with the problem that, for as long as we have a dominant public service broadcaster with the exclusive right to access licence fee funding, it remains very difficult to imagine alternative voices, versions or modes of public service broadcasting. It's hard to see how any future regulator of the BBC could do anything other than poll people on how they think the BBC is doing in fulfilling its purposes or duties; and, precisely because the BBC has a dominant position in public service broadcasting, we'll probably continue to say that what the BBC does is more or less fine.

In the end, under the present arrangements, the question of whether the BBC is good at public service broadcasting is as hard for us to answer as the question of whether the Church of England is good at Anglicanism. The question isn't incoherent, but it doesn't exactly set an objective standard.

The BBC could argue that this argument is flawed because some of its content is already commissioned from the wider market. Those commissioners are held to the purposes of the BBC and hence the content they create does provide alternative voices, versions and modes of public service broadcasting.

But this is inadequate for two reasons: the amount of external commissioning is limited – only 25% of television hours are guaranteed to independent producers; and the BBC as commissioner remains the arbiter of whether the content that is created fulfils the purposes and duties of public service broadcasting. Acting in this way, the BBC pluralises production, but not the interpretation of the values of public service broadcasting.

As a consequence, it remains vulnerable to accusations – and perhaps the reality – of being slanted in one political direction or another; its content being particularly valuable to older and richer audiences rather than the full range of the people paying the licence fee; and in struggling to reach, as its own audience research suggests it does, those from minority ethnic or religious backgrounds. In fact, the latest work by the BBC Trust suggests that, among the main broadcasters, the BBC's appeal to younger and minority audiences has fallen by the most.⁷

TAKING PLURALISM SERIOUSLY

So what would it mean for the BBC to abide by the values of public service broadcasting in a more thorough-going way, more appropriate to a pluralist society?

Here are some ideas:

1. Commission out the whole of BBC Two and BBC Radio 2. Not some of the programmes, not a fixed number of hours of programming, the whole channel. The contracts could be re-competed every few years; the same purposes and duties would apply as for the rest of the BBC; and the providers would be responsible independently to the regulator for performance against them. The new providers would thereby gain not only greater room for innovating the content and how it is produced but bring their own interpretation of the values of public service broadcasting. This would be a major reform to the market, diverting around £600m of licence fee funding to other providers.

2. Require the BBC to share future content development plans with the regulator privately – and give commercial providers the option of doing so.⁸ This would allow the regulator to take a view on where proposed new content from the BBC duplicates upcoming content from commercial providers; and it would have the power to instruct the BBC not to proceed with such content development. This regulatory process runs the risk of slowing down production and innovation within the BBC, and potentially elsewhere, so it would have to be limited to content the production budget for which exceeds a set – and large – figure; in any case the timelines for decision-making would have to be short with no option for prevarication. It is a step beyond the present arrangement between the BBC and the BBC Trust, where the latter can block the development of platforms or innovations that are already provided by the wider market, though follows the same principle. It is, in essence, a ‘market test’, to check that the BBC really is on the whole filling gaps in the provision offered by the market. It isn’t enough to only ask that question when there is a charter review, it should be asked more often, especially when the market is changing so fast.

3. Open up the BBC News website and apps to allow users to pull in alongside BBC content the content produced by other providers who opt to abide by the public service purposes and duties set by the regulator. This will mean that for every user their BBC online and mobile experience will become pluralist, more like the experience of reading news and commentary in Feedly or Facebook, while still public in character. At the moment, if another online provider wanted to compete with the BBC on the same public service mission, backed for example by philanthropic funding, it would likely struggle against the scale of the BBC’s online presence; this proposal is intended to fix that problem and allow other online public service providers to access a larger audience.

CONCLUSION

While these proposals represent significant steps in increasing the pluralism of the BBC’s output, reason enough to consider them, they will also provide real-world alternatives to the BBC’s present version of public service broadcasting; and, by having access to those, we will be able to compare the different versions against each other – judge which is more innovative, lower cost, or simply the most popular.

In effect, these proposals will serve as experiments, providing information which may in turn enable a more significant shift in policy by the time of the next charter review. At the moment, any radical change in the licence fee – whether upwards or downwards – or a fundamental review of the remit of public service broadcasting – whether to expand or to reduce it – would have to be done mainly in the dark. We have the BBC; or we have chaos. At least for very many people, it’s hard to imagine anything different. Those who do imagine radical change to the BBC do it largely on the basis of economic theory rather than solid evidence. They are forced to by the present arrangements in which there is little room for experimenting with the role and cost of public service broadcasting. Equally, the argument that the scope of public service broadcasting might need to grow has no weight behind it at all, even though creative, risk-taking artists in parallel content industries to broadcasting such as music or books are seen by some as facing big challenges to keeping on.

However, if at this charter review, we were to create a pluralist model for public service broadcasting, on the lines sketched out by the proposals made in this paper, then we would soon have much better information against which to consider future reform.

SWITCHING CHANNELS

For example, if it turned out that the BBC, on submitting content proposals to the regulator and having these considered against the plans of commercial rivals, was frequently told not to proceed with development, then this would suggest that the commercial market is able to supply content that meets our desiderata for public service broadcasting too. On the other hand, if the BBC kept proposing innovative content and thereby clearing the regulatory hurdle, then it would have proved the case for its continuing mission.

ENDNOTES

- ¹ BBC Charter Review: Public Consultation, DCMS Green Paper, <https://www.gov.uk/government/consultations/bbc-charter-review-public-consultation>
- ² Initial response to the Government's Green Paper on BBC Charter Review, BBC Trust, http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/charter_review/green_paper_response.pdf
- ³ Future Priorities for the BBC: An audience view, ICM research report for the BBC Trust, http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/news/2015/audience_research.pdf
- ⁴ Ofcom review of public service television broadcasting, Volume 1: the role of television in society, <http://stakeholders.ofcom.org.uk/binaries/research/tv-research/psb-phase1.pdf>
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- ⁷ Service Review of BBC Television, BBC Trust, http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/television_services/television_services.pdf
- ⁸ This paper takes no view on who the future regulator of the BBC should be.

