



## **A future for public service television: NUJ submission to inquiry held by Lord Puttnam**

March 2016

*The National Union of Journalists (NUJ) is the representative voice for journalists and media workers across the UK and Ireland. The union was founded in 1907 and has 30,000 members. We represent staff, casuals and freelancers working in the broadcast media, newspapers, news agencies, magazines, books, public relations, communications, online media and in photography.*

1. The BBC is under threat. The government's green paper, as the corporation faces charter renewal, makes clear it is seeking to cut the size and scope of the BBC. Its independence is also under attack with John Whittingdale, Culture Secretary, proposing that the majority of members of the unitary board which could replace the BBC Trust will be appointed by government.
2. Almost three quarters of the people who took part in the government consultation on the BBC's charter review said they believed that the corporation should "remain independent from one or more of government, parliament and Ofcom"; however, it is the BBC's commercial rivals who have the ear of the Culture Secretary.
3. The BBC has not helped itself by agreeing to a deal with the Treasury (without consultation) to take on the welfare benefit of funding TV licences for the over-75s. This could cost £750m by 2020/21. Since the 2007 charter, there have been £1.5bn cuts and the real value of the licence fee has fallen by 12 per cent.
4. The over-75s deal the continuation of an unwelcome trend of the government raiding the licence fee pot to fund its own projects. In the last charter period, it took out £340m to fund the World Service, the roll-out of fast broadband, S4C, Local TV and other services.
5. The corporation is the largest single investor in TV news production and it accounts for 40-plus per cent of the total investment in UK original content. It spends 76 per cent of its licence fee income on TV content; Sky spends 34 per cent. Almost half, (48 per cent) of the UK public used BBC online, making it the most popular source of news in the UK.
6. The licence fee is the single biggest investment in the arts and creative industries in this country. In 2013/14, the BBC injected £2.2bn into the creative industries. It is Europe's biggest provider of media and creative skills training.

7. The corporation had a strong showing at the industry's BAFTA awards. It received nominations for its high-end drama *Wolf Hall* and its ever-popular *Great British Bake Off*. These successes make it even more difficult to understand why the government believes the BBC's role is to make programmes where the market has failed and should leave popular formats to the commercial sector.
8. The BBC needs to be protected and properly funded, but it also needs to be reformed and more accountable to its staff and the licence-fee payer. It must make greater strides to provide a service that represents the UK population in front and behind the camera. It must end executive excess and financial waste.
9. **The NUJ, together with the Federation of Entertainment Unions, has produced an alternative White Paper for the BBC which called on the corporation to:**
  - **renegotiate its agreement to fund free TV licences for the over-75s;**
  - **be independent of government interference, by extending the charter period to 11 years to take it out of the political cycle;**
  - **have a governance structure which is not filled with government appointees and includes representatives of its staff and licence fee payers;**
  - **continue to be a universal broadcaster making a full range of popular drama and entertainment programmes;**
  - **continue to provide news free of bias and maintain standards of accuracy and integrity in its journalism.**
10. The White Paper also voiced concerns over creeping privatisation at the BBC, particularly the proposal to turn BBC Studios into a wholly-owned subsidiary company which would compete for commissions on the open market, ending in-house production quotas. History shows these arms-length arrangements ultimately lead to privatisation, as has happened to BBC Technology, BBC Broadcast and BBC Resources.
11. The BBC is not the only public service broadcaster at risk; Channel 4 is the government's sights for privatisation. Despite John Whittingdale denying he was planning a sale, his cover was blown when an official was photographed entering Downing Street with a document setting out options for a sell-off. The document revealed it was expected to raise an estimated £1bn for the Treasury.
12. Industry insiders are also looking with interest at ITV, which last year reported a 25 per cent increase in pre-tax profits, despite a 4 per cent drop in viewing. News that Liberty Global, the owner of pay-tv company Virgin Media, had raised its stake in ITV to 9.9 per cent increased speculation of a buy-out, despite denials by the American owner, John Malone. Malone previously paid £550m for All3media, the maker of *Midsomer Murders*. If Malone, known variously as the cable cowboy, *Darth Vader* and *Mad Max* within the industry, took over at the same time as the BBC was being downsized and expected to produce only the unpopular bits of media eschewed by commercial broadcasters, what effect will this have on the UK's cultural identity?

Channel 5 is now owned by the American company Viacom and many of the UK's major independent producers have been acquired by US broadcasters.

13. The NUJ supports a vibrant, creative and well-funded public broadcasting sector which is accessible and affordable and which reflects the interests of the public it serves. All democracies require balanced, impartial news coverage which does not depend on the personal prejudices and foibles of media moguls, commercial pressure to appease shareholders or government interference.
14. The NUJ accepts the purposes of PSB under the Communications Act 2003: to inform our understanding of the world; to stimulate interest in knowledge of the arts, science, history and other topics; to reflect our cultural identity through original programming; and to represent diversity and alternative points of view. PSB programmes should be trustworthy, innovative, challenging, of high quality, well-funded and original with new UK content.
15. The BBC is free from shareholder pressure, advertiser influence and the chase for ratings. People understand this and that is why the BBC commands a high level of trust. Ofcom's latest public service broadcasting review (July 2015) showed eight in ten viewers (79 per cent) believed it had fulfilled its purposes, such as trustworthy news and high quality programmes that reflect the UK.
16. But cuts to the BBC's budget have forced it to reduce its investment in programmes in key PSB genres such as drama, current affairs, specialist factual and education.
17. Ofcom is the body which oversees the PSB remit. It was set up as a light-touch regulator and this has had consequences. The NUJ has already taken issue with Ofcom's decision to allow ITV local news to be reduced by a third in the latest 10-year broadcast licences for ITV, STV, UTV and Channel 5.
18. Dorothy Byrne, head of news and current affairs at Channel 4, has also worked at ITV. At an NUJ event on the future of PSB, she explained how Ofcom did nothing as ITV slashed its current affairs coverage, such as World in Action. ITV management was more concerned about ratings than its commitment to investigative journalism. She said if Channel 4 is privatised, the same will happen.
19. Media analyst Claire Enders said a £1bn sale figure could be achieved if it was privatised – but only without its public service remit. The industry believes there is interest in the sale, but without the remit Channel 4's award-winning early evening news would be under threat and Dorothy Byrne said: "Without Channel 4, quite a lot of the world would not be reported. We are not afraid of anyone. Because of our independence, we were able to put on programmes such as Politicians for Hire. It isn't just about running these programmes it is also about running them in prime time." Its Dispatches' report, a joint-investigation with The Telegraph, revealed former foreign secretaries Sir Malcolm Rifkind and Jack Straw had traded on their Westminster connections to earn money from lucrative positions in the private sector.

20. Ofcom's light touch has also meant that it has not intervened until it is too late. For example the BBC is the only commissioner of children's programmes.
- 21. The NUJ believes the privatisation of Channel 4 must be resisted. It also calls for a stronger PSB regulator. Ofcom has been put forward for having a greater role in the regulation of the BBC, for example in the Clementi review, but as it stands Ofcom is not fit for that purpose. There needs to be a review of its role. There should be stricter obligations on the commercial PSB channels to reach certain levels of investment in first-run programming, prime-time current affairs and diversity.**
- 22. Any PSB review should also examine how mechanisms such as levies, tax breaks, the renegotiation of transmission fees, and taxation on audio-visual equipment to raise money for PSB programming can be applied.**
23. The funding and content of public service broadcasters has an effect on the whole industry. Every £1 of licence fee spent by the network generates £2 of economic activity. In the period 2011/12, the BBC generated £8.3bn for the UK economy. Research from the Reuters Institute for the Study of Journalism, Oxford University, found the BBC to be one of the Europe's leading public service broadcasters for digital innovation. Its report said the BBC showed a willingness to experiment, despite the inevitability that some of their initiatives would fail.
24. The British journalism industry is 94 per cent white and 55 per cent male, a survey by City University London found in March 2016. A report by Alan Milburn for the Cabinet Office found that journalism is one of the most socially exclusive professions. Research by the Sutton Trust revealed that just over half of leading print journalists had been educated at a private school and 54 per cent had attended Oxford or Cambridge.
25. According to Tunde Ogungbesan, the BBC's head of diversity, inclusion and succession, speaking at an NUJ event in the same month, statistics show that 13.4 per cent of the BBC's employees are BAME; the overall statistic for the UK population is 11.9 per cent. However, the main places where it recruits, London, Manchester, Glasgow, Cardiff and Birmingham have much higher proportions than the national average.
26. A survey of NUJ women members carried out as part of the union's submission to the Lords Communications Committee inquiry into women in broadcasting in 2015, found that sexist attitudes and barriers prevailed in broadcasting media workplaces. The survey data revealed many cases of unequal pay and women being overlooked for promotion. Our members gave some shocking examples of sexual harassment as well as incidents of "everyday sexism". The results mirrored other research in the industry, which found women in broadcasting were more likely than men to be judged by their looks, were given "softer" stories to cover and the respondents repeatedly identified the existence of an "old-boys' culture" in parts of the industry. More than 40 per cent (41 per cent) of those surveyed said that their duties as

parent or carers sometimes conflicted with their working hours. The survey also suggested that conditions for women working in broadcasting had improved over time, but there was still some way to go to reach parity with male colleagues. Those surveyed called for more flexible working patterns and an end to discrimination against those who worked part-time.

27. Public service broadcasters have a special responsibility to represent the communities they serve. They should be industry leaders in work practices and employment policies. Self-regulation of diversity by media organisations is clearer failing. **That is why the NUJ recommends that they should be compelled to collect and publish employment data that includes gender, age, ethnicity, socio-economic status, sexuality and disability in terms of access to jobs, pay rates, internships and employment status.**
28. The NUJ supports the proposal by actor Lenny Henry for the BBC to entrench ethnic diversity in its new Royal Charter, to address systemic failure in representing minorities on screen and behind the camera.
29. In its media manifesto for Wales, the NUJ has called for **a publically-owned, fee-funded BBC and greater oversight and scrutiny of public service broadcasting in Wales by the Welsh Government and Assembly, plus a vibrant and properly-resourced S4C funded and managed in Wales. While S4C merits its own guaranteed funding allocation, in the interim it should have its funding protected within the BBC budget. ITV in Wales must be committed to public-service provision of news and current affairs and play a central role in shining a light on Welsh life.**
30. There have been more than 100 job cuts at BBC Wales since 2012, with £10m slashed from programming budgets in the same period. Investment in English language programming has fallen by 32 per cent in real terms in the past eight years. Despite this, the BBC in Wales continues to play a central role in the lives of the people of Wales. English language television on the BBC reaches 900,000 viewers each week with news, current affairs and factual programmes making up eight of the top 10 most popular series on BBC Wales.
31. The most popular regular programme is BBC Wales Today's 6.30pm bulletin which attracts an average audience of 293,000 an episode. BBC Radio Wales has an average of 384,000 listeners each week with BBC Radio Cymru attracting 104,000 weekly listeners. Almost 3.5m
32. people use the BBC Wales English language website each week with 89,000 using the Welsh language online service on a weekly basis.
33. Funding for S4C has been cut by £18.2m since 2009. Its Newyddion 9 news bulletin is watched by 18,000 viewers per episode while the political debate programme Pawb a'i Farn attracts 13,000 viewers per episode. S4C regularly attracted audiences of above 20,000 for eisteddfodau coverage in 2014/15.
34. There is no published separate budget for ITV Cymru Wales, though estimates based on Ofcom sources put it at about £7 million. The overall budget for all ITV's English regional and Welsh output is £64 million, down from more than £100 million and now frozen in cash terms. The gap between the programme makers' ambition and their financial resources is sometimes apparent, for example ITV Cymru Wales rugby world cup programmes lacked pitch-side presentation, unlike ITV network (and S4C).

35. Across the sector, public service broadcasters remain key providers of quality employment for creative talent and further cuts will only hit content and reduce opportunities in the creative sector in Wales.