

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

A report on the future of public service
television in the UK in the 21st century

www.futureoftv.org.uk

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Executive Summary

Television remains at the heart of British life, serving a democratic purpose, stimulating local and national conversations, and providing collective experiences.

The idea of public service has been central to its evolution, and broadcasting has been shaped by very specific public interventions that have expanded the idea of public service.

Yet the television sector has undergone huge changes over the past generation. The proliferation of channels has reduced the market share of the public service broadcasters – the BBC, ITV, Channel 4 and Channel 5 – although they have largely retained their prominence and developed portfolio services. Sky has emerged as a major force, contributing to the success of pay television. New technology has facilitated on-demand access to television content, and created

new services and platforms, while consumer behaviour has started to change rapidly, particularly among the young. The very definition of television needs to be refined accordingly.

This report is based on the findings of an eight-month long Inquiry chaired by Lord Puttnam that has organised public events across the UK, received submissions from a wide variety of broadcasters, academics, civil society groups and individuals and held discussions with leading representatives of a changing industry.

The report is preoccupied with the purpose of television in an era that is characterised not simply by technological transformations but also by shifting cultural and political attitudes: high levels of disengagement from traditional political parties, the collapse of the centre ground, falling levels of trust in major public institutions and a willingness to identify with social groups beyond the level of the nation state. The report reflects on the extent to which the UK's

most popular television channels successfully address the concerns, represent the interests and tell the stories of all the citizens of the UK. Above all, however, it seeks to highlight the conditions that may allow for the production and circulation of high quality, creative and relevant public service content in these complex circumstances.

Conclusions and recommendations

General

The UK's public service television system is a vital political, economic and cultural resource and should be viewed as an ecology that needs careful protection and coordination. Public service media should not be regulated simply in relation to the impact of their content and services on the wider media market. Principles of independence, universality, citizenship, quality and diversity need to be embedded into the regulation and funding of an emerging digital media landscape.

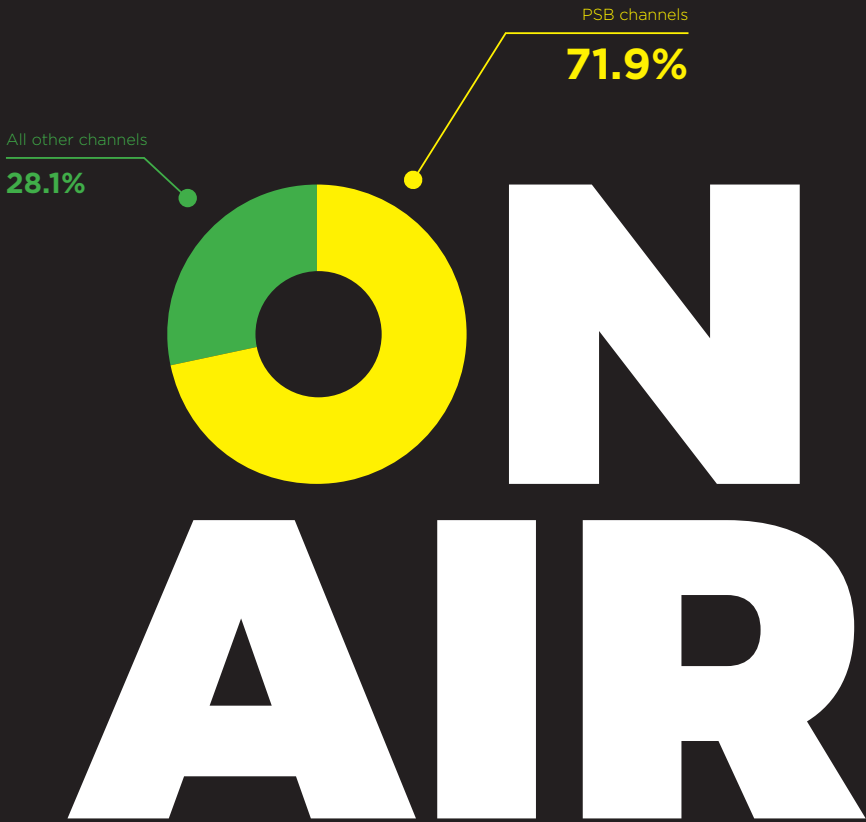
1. In return for public service broadcasters meeting the obligations of their licences, their

content should be guaranteed prominence on electronic programme guides, smart TVs and on the interfaces of on-demand players as they emerge.

2. Retransmission fees should be paid by pay-TV platforms to public service television operators to address the current undervaluation of public service content by these distributors.

3. Ofcom should supplement its occasional reviews of public service broadcasting with a regular qualitative audit of public service content in order to ensure that audiences are being served with high-quality and diverse programming. This should include detailed data on the representation and employment of minority groups and a comprehensive account of the changing consumption patterns of younger audiences.

4. Ofcom should continue to monitor the independent production sector and take action, where necessary, if consolidation continues to increase and if diversity of supply is affected.



Public service channels
(including portfolio channels)
continue to dominate the
majority of our viewing.

Source: Ofcom

The BBC

The BBC is the most important part of the television ecology, but the model of universality underpinning its public service credentials is under threat. The BBC has been contracting in real terms and it is hard to sustain the case that it is damaging competitors. The licence fee is vulnerable in the face of changes in technology and consumption, and it is in any case far from an ideal system: it has failed to guarantee real independence and is charged at a flat rate. The BBC's independence has also been compromised by the insecurity of its establishment by a royal charter and the process behind the appointments to its governing body.

We support the inclusion of diversity as a specific public purpose for the BBC but strongly reject the abolition of the purpose focusing on the delivery of emerging communications technologies and services. We believe the BBC should be encouraged to pursue networked innovation, to embrace the internet and to develop a range of content and services for the online world.

The BBC should continue to provide mixed programming and cater to all audiences as well as competing with other broadcasters to produce high quality programmes. The BBC needs to demonstrate further commitments to creative ambition and to address shortfalls in specific areas, for example its services to BAME audiences, its relationships with audiences in the devolved nations, its institutional commitment to impartiality and its willingness to embrace new types of collaborative partnerships.

5. The government should replace the licence fee as soon as is practically possible with a more progressive funding mechanism such as a tiered platform-neutral household fee, a supplement to Council Tax or funding via general taxation with appropriate parliamentary safeguards.

6. The government should hand over decision-making concerning the funding of the BBC to an independent advisory body that works on fixed settlement periods.

7. The BBC should be reconstituted as a statutory body, thus abolishing its royal charter or – at the very minimum – providing statutory underpinning to a continuing royal charter.

8. Appointments to the BBC's new unitary board should be entirely independent from government. We recommend that the process should be overseen by a new independent appointments body and based on a series of tests drawn up by the former commissioner for public appointments, Sir David Normington. Representative voices from the devolved nations must be involved in selecting the members for Scotland, Wales and Northern Ireland.

9. If Ofcom is handed the responsibility of regulating the BBC, it must be given the resources and the structures to regulate the BBC independently of both government and its commercial rivals.

Channel 4

Channel 4 occupies a critical place in the public service ecology – supporting the independent production sector and airing content aimed specifically at diverse audiences. Its remit has remained flexible and it has moved with the times. But it has cut programme spending; it has largely abandoned arts programming and has been criticised for not doing enough for older children. Recently, Channel 4 has been threatened with privatisation, in whole or in part, a proposal that would threaten its public service remit.

10. Channel 4 should not be privatised – neither in full or in part – and we believe that the government should clarify its view on Channel 4's future as soon as possible.

11. Channel 4 should significantly increase its provision for older children and young adults and restore some of the arts programming that has been in decline in recent years.



Proposed tests for BBC board members

1. The Nolan Principles
2. An independent selection process
3. Openness
4. Fairness
5. No ministerial involvement
6. Scrutiny and oversight

12. Channel 4 should continue to innovate and experiment across different platforms and it should aim to arrest the fall in the number of independent suppliers that it works with.

ITV and Channel 5

ITV has been transformed over the past 25 years as a result of the changes introduced by the 1990 Broadcasting Act and the greatly increased competition it now faces in a multichannel world. It has lost its pre-eminence and its mandated public service commitments have been reduced. It has cut spending on some genres and exited others. The model under which it provides public service content is now threatened because of the diminishing value of its prominence on the electronic programme guide.

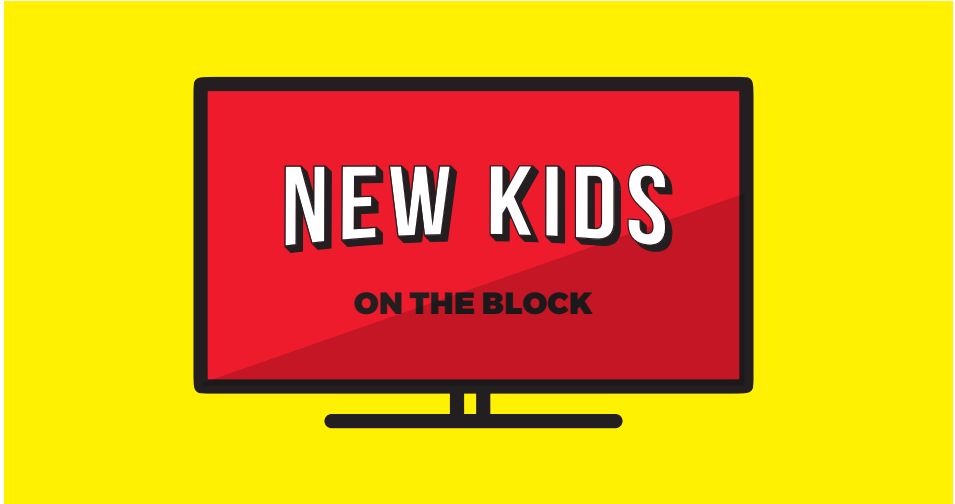
We believe both ITV and Channel 5 should remain part of the public service television ecology but that they have been contributing less to it than they might have.

13. ITV and Channel 5 should continue to receive the privileges afforded to other public service broadcasters but we believe that their commitment to public service needs to be strengthened.

14. Ofcom should conduct a review of how best ITV can contribute to the PSM ecology for the next decade and beyond, including explicit commitments for programming and investment, alongside a fresh look at the range of regulatory support that can be offered.

15. ITV should be asked to take on a more ambitious role in regional TV and in current affairs. Measures to be considered might include increasing the minimum amount of regional non-news programmes from 15 to 30 minutes a week and an increase in network current affairs output to the equivalent of 90 minutes a week.

16. Channel 5's voluntary commitment to children's programming should from now on be embedded in its licence, with specific commitments to UK-originated children's content.



A new fund for public service content

Television with the characteristics of public service broadcasting now appears outside the public service system: from Sky and other commercial broadcasters, on subscription video-on-demand services such as Netflix and Amazon, and through the new Local TV services. Meanwhile, a broad range of cultural institutions – including museums, performing arts institutions and community organisations – are now producing video content of public service character. We believe that the

growing contribution to a digital media ecology made by these cultural institutions should be boosted by a specific public intervention.

17. To increase the levels, quality and security of this provision, we propose to set up a new fund for public service content. This would consist of a series of digital innovation grants that would be open to cultural institutions and small organisations that are not already engaged in commercial operations.

18. Grant funding would not be limited to linear video content but to other forms of digital content that have demonstrable public service objectives and purposes. We would expect applicants to partner with existing public service broadcasters and platform owners in order to promote their content.

19. The grants would be funded by the proceeds of a levy on the revenues of the largest digital intermediaries and internet service providers and would be disbursed by a new independent public media trust.

DIGITAL INNOVATION GRANTS:
“WE ESTIMATE THAT A 1% LEVY ON UK REVENUES OF DIGITAL INTERMEDIARIES AND ISPS WOULD RAISE IN EXCESS OF £100 MILLION A YEAR.”

Diversity

Evidence shows that ethnic, regional, national and faith-based minorities are dissatisfied with their visibility and portrayal on public service television. Nor is the television workforce representative of the wider UK population, with a systematic under-representation of ethnic minorities and those from poorer backgrounds at top levels of the industry. It is vital that PST operators address these issues if they are to retain legitimacy with these audiences. We believe that there are systemic failures that account for an enduring lack of diversity on- and off-screen and therefore that more systemic solutions are required alongside targets and training schemes.

20. The 2010 Equality Act should be amended so that public service television commissioning and editorial policy would be covered by public service equality duties.

21. A renewed commitment to diversity must be accompanied by sufficient funds. We believe the public service broadcasters should ringfence funding specifically aimed at BAME productions.

THE
PEOPLE
SHOULD
BE
TELEVISED

If the viewing public that is meant to be at the heart of public service broadcasting do not see themselves on screen or do not recognise the representations that do exist as valid, then broadcasters have a credibility problem they need to address.

Nations and regions

The public service television system has failed to reflect the changing constitutional shape of the UK such that audiences in Scotland, Wales, Northern Ireland and the English regions are being under-served.

We are concerned that broadcasters' proposals to increase 'out of London' production and recent commitments to step up investment in the devolved nations will fail to challenge the underlying centralisation of the UK television ecology.

We propose a 'devolved' approach to public service television that ultimately aims at sharing responsibility for broadcasting matters between the UK parliament and the devolved nations.

22. Commissioning structures and funding need to better reflect devolutionary pressures and budgets for spending in the devolved nations should be wholly controlled by commissioners in those nations.

23. It is time for a 'Scottish Six' – and indeed a 'Welsh Six' and a 'Northern Irish Six'.

24. The government should both protect and enhance funding aimed at minority language services, and identify stable sources of funding for S4C other than the BBC in its review of the channel in 2017.

25. The BBC should be allowed to revisit its local television proposal and strike up meaningful partnerships with a range of commercial and not-for-profit news organisations to galvanise television at the local level.

Content diversity

The diversity of genre that has been associated in the past with public service television is under threat. Audiences for public service broadcasters' television news are falling, especially among younger age groups. Investment in some of the genres traditionally associated with public service television such as drama, arts and children's programming has been

in decline. There has also been a steady migration of live sports from free-to-air channels to pay TV, with public service broadcasters increasingly unable to compete for rights with Sky and BT. Regulators and broadcasters need to work together to consider how best to address these trends, in order to maintain a diverse public service ecology.

26. Public service news ought to adopt a model of journalism that is more concerned with articulating differences than with the production of consensus politics.

27. The BBC must also be required to maintain its engagement with younger audiences and to reverse its recent cuts in this area.

28. We support the efforts of the European Broadcasting Union to protect audiences' access to major sporting events and believe that the government needs to protect the number of 'listed events' available to UK audiences on a free-to-air basis.

Talent development and training

Employment in the television industry is growing but it is a sector that, due to some significant barriers to entry, does not yet reflect the demographic make-up of the UK. There is an urgent need for a more consolidated approach to maximising entry-level opportunities and increasing investment in training and professional development at all levels of the industry.

29. Creative Skillset, as the key industry body that is charged with developing skills and talent, should coordinate a sector-wide response to challenges concerning entrance into and training within the television industry.

30. The government should meet urgently with industry bodies and broadcasters to consider how best to make the forthcoming apprenticeship levy work effectively for the television industry.



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