

DIGITAL BRITAIN PROPOSALS: AUDIENCE COUNCIL ENGLAND SUBMISSION

Introduction

Audience Council England considered the proposals in the government's *Digital Britain* Report at its 7 July 2009 meeting, and particularly those relating to the funding of the BBC and universality of access to BBC services and other services through broadband roll-out.

The Council wishes to make its position clear from the outset, as championing the interests of audiences, and specifically English licence fee payers, free from vested interests including the political, commercial and economic.

Its credentials are based on its regional network of audience councils whose 200 strong membership is in turn boosted by local networks conservatively estimated at six thousand.

In addition, an annual programme of outreach activity with the wider audience, often targeted at particular groups including children, young people and minority groups, connects with up to a thousand people each year.

Re-stating key principles

In responding to the *Digital Britain* proposals on licence fee top-slicing which are included within the plans for a contestable fund and broadband roll-out, the Council wishes to re-state some key principles relating to the BBC's funding.

First, the television licence fee (a misnomer often highlighted by the Council and its predecessor body the English National Forum) is a unique form of levy which since its inception in 1946 has been dedicated wholly to funding the UK's main public service broadcaster, the BBC. There is no precedent for licence fee income being used outside the BBC or for purposes other than the BBC's. In return, licence fee payers have received a strong portfolio of television, radio, and in recent years, highly valued online and interactive services.

By its very nature, the licence fee creates a unique relationship between the public and the BBC; as the slogan says, 'it's your BBC'.

It is in these terms that many people see the BBC, and not just the older heartland audiences as our regional council members can affirm through their recent outreach experiences with children and young people.

Comments from young people attending a Radio 1 Roadshow included the commonly expressed belief that the BBC should be a continuing part of British life: 'it's our heritage', 'it takes risks', 'it has intelligent programming'.

Second, the licence fee is regarded by audiences as crucial in helping to safeguard the BBC's independence from political interference. It is recognised as a separate levy and not generally seen as a form of general taxation.

Third, Audience Council England is opposed to the notion that any part of the licence fee be used to fund commercial services as a substitute for reduced advertising revenues. We believe that this would set a dangerous precedent. If licence fee income were to be used for purposes other than those for which it was created and is collected – the delivery of the BBC's six Public Purposes - there would be nothing to prevent future incursions, possibly at increased levels and for purposes unconnected with broadcasting.

The history of public taxation is all too eloquent here, as the example of road tax illustrates.

Fourth, and finally, the spending of public money must be accompanied by genuine accountability and transparency.

The BBC is held to account by Parliament and by audiences through an accountability process unparalleled in the broadcasting world.

The creation of the BBC Trust in 2007 with its transparent and robust performance measurement framework has significantly strengthened that accountability process. It is also helping demonstrate clearly to licence fee payers how the BBC is delivering the six public purposes set out in the Royal Charter.

Together with the three other national Audience Councils, we as a Council have contributed to the continuing enhancement of the BBC's accountability not only by advising the Trust on how BBC services are impacting on audiences in England but also on how the BBC is perceived by audiences.

While it is inevitable that organisations like the BBC, which operate in a fast-moving and often sensitive environment, will make mistakes from time to time, we are acutely conscious of accountability and the important role the BBC Trust plays in dealing promptly with such matters. We would have serious questions about the accountability of public money going to commercial organisations, where shareholders' interests are necessarily and inevitably paramount.

Other options

Partnerships

We support the development of production and other types of partnership in which the BBC can involve itself and support commercial broadcasters primarily in the provision of news and current affairs.

As our collective knowledge and experience of BBC English Regions and its operations over the past decade shows, there is already a proven and effective mechanism of maximising public value from the licence fee for the benefit of audiences.

This is through the development of a range of partnerships which the BBC in England has initiated in recent years with local, regional, and national bodies – ranging from local charitable organisations, the emergency services, CSV (Community Service Volunteers), educational bodies in the furtherance of media literacy, to Arts Council England, English Heritage, and the Royal Horticultural Society.

In all these, licence fee income and the duty of accountability that come with it have remained in the hands of the BBC with its resources – technological, staffing, broadcasting expertise, facilities, brand recognition and public confidence – being put to use for clearly defined and evaluated benefits on both sides.

BBC management have shared with us their partnership plans and estimated value over the next five years, which even at their most conservative estimate would appear to represent a significant contribution to supporting the wider broadcasting industry.

We would welcome the introduction of pilot schemes to further explore the opportunities within the partnership proposals, always provided they were properly structured with the aim of establishing the real costs involved and were capable of independent evaluation.

Taken alongside the independent production quota which requires the BBC to commission at least one third of its output from the independent sector (standing at 37 per cent in the past financial year for 2008/09), we believe that partnerships have the potential to maximise public value without impacting adversely on BBC services or having to establish further accountability and governance mechanisms to ensure that the interests of licence fee payers do not come second to those of shareholders.

Plurality

On the question of plurality, the Council is on record as saying that the interests of audiences are best served by plurality in broadcasting.

While 'plurality' in itself may not be a subject which springs spontaneously to people's lips at the outreach events we host or in our councils' local networks, our contacts with the wider audience have confirmed that people value being able to choose from a range of suppliers offering different perspectives, whether it be on current affairs and politics, entertainment and drama, or services aimed at children and young people.

We would therefore not wish to see the BBC as the UK's sole provider of news and current affairs, or of UK-originated content.

We believe that plurality is essential for the health of democracy, to ensure that different views, approaches and interpretations are put forward, particularly for the benefit of those distinct audiences which prefer other channels to the BBC's. It is essential too for supporting independent production companies around the UK and hence local economies, new talent and employment prospects outside London. Our perception is that it also helps keep the BBC competitive and creative, both through programme makers' natural desire to deliver output which wins audience approval and through the exercise of the BBC Trust's responsibilities in assessing the BBC's performance within the wider media environment.

We would like to encourage more imaginative ways of delivering plurality that did not take money from the licence fee. As we stated last year in our response to Phase Two of the Ofcom PSB Review:

"We hope that any final decision will be based on sustainability in the long term and not one which look for short-term solutions to falling advertising revenues and the current economic downturn through a curtailing of the BBC's funding.

"While we recognise the benefits of plurality and competition, we could not support moves to these ends at the cost of potential damage to the BBC. The BBC is, and should remain, the cornerstone of public service broadcasting and present funding arrangements uniquely preserve this principle.

"The evidence is that the great majority of audiences support this view and continue to trust and have confidence in the BBC."

Digital Switchover Help Scheme underspend

Our view is that any surplus funding should be returned to the licence fee payer at the time of the next licence fee settlement in 2012, perhaps either through a freezing or reduction in the annual fee. It should not be diverted to help fund the roll-out of broadband for all, nor used to fund a pilot for independent local news services led by commercial organisations.

As stated above, the very existence of the licence fee creates a unique relationship between the public and the BBC, hence the higher expectations people have of it and the greater disappointment and anger when things go awry.

Broadband roll-out

We would support the roll-out of broadband and further exploration of the benefits for consumers, through commercial funding sources.

DAB and English Local Radio

The ambitions set out in *Digital Britain* for DAB are worthy. In our discussions with the Trust we have in the past expressed our disappointment that many of the BBC's 38 English Local Radio stations remain unavailable to digital listeners but we understand the massive technological investment that is required to ensure full DAB reception across the UK.

We also note that audiences' relationship with radio is very different from television; and many listeners either do not wish to switch to digital sets for whatever reason, or do not have the option to do so.

For this reason, and because of the high investment costs, we do not see the need for the setting of a deadline for DAB switchover as is proposed for 2015.

We would like to see more public debate on this matter, and indeed on all the *Digital Britain* proposals and future use of the licence fee, and would welcome the BBC and other broadcasters fostering such a debate in support of the forthcoming public consultation.

6 September 2009