

Public Media Alliance—written evidence (BFF0044)

House of Lords Communications and Digital Committee inquiry into BBC future funding

Summary:

The [Public Media Alliance](#) has a unique insight into public media globally. This evidence therefore provides a global context for the BBC in terms of its public media value and demonstrates the BBC's unique and leading role in the global media landscape. The BBC is a multiplatform public media organisation and not simply a national broadcaster. As such, it has a specific remit and role to provide more than entertainment television to the citizens of the UK. In addition to the high quality entertainment across multiple, TV, Radio and online platforms, that provides value to UK audiences and delivers a strong return in terms of international sales, the BBC also underpins many other aspects of UK life in ways that are not always promoted or widely understood.

Submission:

The [Public Media Alliance](#) [PMA], is the largest global association of public broadcasters. National public broadcasters are now more usually referred to as 'public service media organisations' (PSMs) indicating their transition from national public broadcasters to multiplatform public media organisations. The PMA is a UK registered 'Not for Profit' organisation with an extensive membership of PSMs in six continents. Our members range from the largest national public media organisations including ZDF Germany, the BBC, ABC Australia, CBC/Radio-Canada, RNZ in New Zealand, SR in Sweden and PBS in the USA, to many smaller national organisations such as TBC Tonga and GBC Gibraltar. Founded in 1945, since 2014 the main focus of work for PMA has been to provide support and advocacy for public media worldwide.

The PMA employs a small team of experts and researchers who provide 24/7 support to public media organisations. Members of the PMA team also draft submissions and give evidence about public media to governments and inquiries worldwide, the organisation is therefore able to provide a unique international context to the UK debate about public media and the future funding of the BBC. The PMA produces and disseminates [PSM Weekly](#), a global update on issues of public media. The organisation also provides training and capacity building programmes for public and public interest media internationally. Building on its extensive network of leading public media academics, practitioners and commentators, the PMA collates information and research about public media as part of its [Knowledge Hub](#), sharing resources and research for those with an interest in public media.

Due to its unique global perspective and extensive knowledge of public media, the PMA is submitting evidence to this enquiry to ensure that the future funding of the BBC is considered with due regard to the BBC's global as well as domestic context, and to affirm the leading role that the BBC plays in the international media system.

We also submit evidence to reiterate the BBC's crucial role in underpinning democracy through its provision of editorially independent, accurate and high quality news and information. Whatever the outcome of this inquiry, it must not come at the expense of these critical values.

1. How will new technologies and consumer habits change the future broadcasting landscape?

The broadcasting landscape has already been substantially impacted by new digital media technologies and innovations. The development of Subscription Video on Demand services [SVOD's], such as Netflix, Amazon Prime, Hulu and others, has enabled audiences to access entertainment content whenever and wherever they choose. This has enabled SVOD's to build high audience profile with expensive drama offerings and premium content. But such services do not provide original local content across multiple channels and platforms and platforms on a daily, scheduled basis. The BBC does this but also offers anytime, anywhere, access to content via streaming services iPlayer and BBC Sounds.

It should, also be noted that in terms of the development of BBC iPlayer and other initiatives such as the BBC Sounds App, it is the BBC that has led the way both domestically and internationally in terms of many new media innovations, including SVODs. According to Netflix CEO, Reed Hastings, the BBC iPlayer "blazed the trail" for streaming services. It must also be recognised that global digital streaming giants do not provide national, regional or local news. Nor do they offer critical national support information on a 24/7 basis or additional services such as online education relevant to the UK curriculum or provide essential national information at times of crisis, emergency and disaster. But the BBC does this too.

The BBC has a well-established global reputation as a world leader in public media ideas and practices. For international meetings and events within the media industry, PMA are often asked to suggest keynote speakers and it is the expertise from the BBC that is most often sought. It is recognised both domestically and internationally as more than a 'broadcaster'. While broadcasting remains at the core of its business, it is one of the world's leading multiplatform public media organisations. It is therefore critical that this Inquiry reviews the BBC in the context of its central role in the global as well as domestic media landscape.

New digital media technologies have already significantly changed audience habits, providing greater choice of content and access to that content on a non-scheduled basis. Again, the BBC has not only responded to those changes, but it has also led them with initiatives such as the BBC Sounds App.

Changes in media technology and audience habits are likely to continue to evolve, the demise of radio has long been predicted but its audiences remain strong and the same can be argued for linear television where, although audiences expect more choice, the shared viewing experience remains the preferred choice for many. The critical factor for the BBC is for it to receive the

funding it needs to be able to continue to innovate and respond to changing habits in media consumption.

The PMA frequently reviews the innovations of its members, and yet again the BBC remains a world leader in media technology and innovation, a factor not often recognised in the UK. But to clarify, as for any public media organisation, the BBC's audience are more than **consumers**, they are primarily **citizens**. Public media is widely recognised as underpinning democracy, and democracy depends on informed citizens.

In a recent [December 2021] study into how public media systems contribute to the health of democracy in 33 different countries, [Neff and Pickard \(2021\)](#) found that, "Correlations and cluster analyses show that high levels of secure funding for public media systems and strong structural protections for the political and economic independence of those systems are consistently and positively correlated with healthy democracies".

It is time that the BBC was fully recognised and understood as a public media organisation and not merely as a provider of entertainment. It does provide the highest quality entertainment for domestic audiences, but this is also entertainment that sells internationally, and the licence fee is supported by those sales. But it also provides high quality, local, regional, national and international news. Throughout the pandemic, the BBC rapidly adapted to provide diverse educational offerings, with [5.8million users](#) browsing BBC Bitesize in January 2021. It updates citizens about local weather incidents and school closures, [plugging the gaps](#) as local print news providers become unviable. Again, the BBC is a world leader, with the Local Democracy Reporting Service becoming a model for other nations such as New Zealand.

Such diverse offerings are recognised by audiences and contribute to the trust they hold in the BBC. The BBC remains the [most trusted](#) news organisation in the UK, and is also the world's most trusted and best-known international news broadcaster, as consistently shown by independent research (BBC Global News Brand Tracker conducted by Kantar Media and other independent surveys). It also has the largest online reach of any news provider in the UK. In fact, despite fears of rapid audience fragmentation, its reach has grown to [almost 100%](#) of the UK population during the past two years, with requests for BBC News content on iPlayer up by 85% year-on-year in 2020 alone as people searched for trusted information during the pandemic.

2. What is the purpose of a national broadcaster?

There are numerous examples of 'national' broadcasters, in the undemocratic world. These are 'state' broadcasters, simply the mouthpieces of authoritarian states. The BBC is different, it is not simply a national broadcaster, it is a leading example of a national public media organisation and as such it has a very definite remit, namely, to be editorially independent, and to provide a shared national public media space free from both political and commercial interference, all of which support it in playing a critical role in underpinning informed democracy.

Research repeatedly demonstrates that audience trust, and engagement is highest in those national media organisations that are [independent](#). Today's audiences are sophisticated, they quickly determine [when independence is affected](#) and turn away. Their trust is broken, as is the power and reach of such organisations.

Again, it is inaccurate to consider the BBC solely as a '*national* broadcaster'. It is celebrating its centenary as the world's first *public* broadcaster. The globally accepted definition of the characteristics of public media include accuracy, independence, impartiality, serving all sectors of society, reaching diverse audiences, including minorities, universal access, and high standards of journalism. These values remained enshrined as the defining characteristics of public broadcasting as it evolved, worldwide, into multiplatform public media, enabling established brands, such as the BBC, to build upon their reputations for broadcasting while retaining those same core values for all content production in the digital media space.

There are multiple purposes for a national public media organisation such as the BBC. Independence is critically important for accountability, especially in relation to audience trust and news. The role must encompass providing a shared media space for dialogue and debate and should also be a means of reflecting the nation to itself and to the wider world.

A politically independent public media organisation breaches the political divides and polarisation in society, to offer impartial and accountable election coverage, pulling audiences together to share moments of national triumph and tragedy and cementing the nation around critical national issues such as public health threats or a response to climate change. It is the journalists from public media organisations such as the BBC that have a clear remit to seek out the truth and hold power to account. We are witnessing that right now, as BBC journalists and their support teams continue to provide news from Ukraine, and from inside Russia, at a critical but dangerous moment in world history. Powerful images and words shared via a diverse range of media technologies to ensure that they reach the citizens of both countries, despite the damage to infrastructure and the media bans imposed by Russia. Yet again, it is the BBC that leads this coverage globally.

Two significant factors substantially benefit both the UK creative economy and the BBC; the pre-eminence of the English language and the UK's long history and reputation for high quality content production in both the audio and visual sectors, which was established and continues to be led by the BBC. Put simply, there is a continued and growing demand for the BBC's creative content. This resulted in the BBC contributing £4.9 billion to the UK economy in 2019/20. This remains one of the strongest sectors of the UK economy and an area of continued growth.

A key role for any public media organisation is to nurture and grow talent, it is a role in which the BBC continues to excel. This includes not only on-screen talent but via initiatives such as 'BBC Introducing'. The BBC has seeded the careers of musicians and many others in the creative sector, from media technologists to costume designers. The BBC also continues to invest in the creative sector across the UK, contributing significantly to the levelling up agenda.

Many public media organisations have external services, but none have the renown and global reach of the BBC's World Service which continues to dominate the field with a global audience of 364 million in 2021 (+20m since 2020). The importance of the BBC's reputation for high quality news has been especially demonstrated by the global audience response to the current conflict in Ukraine. Meanwhile the BBC's total global audience figure (including BBC Studios content) is 489m.

During the COVID-19 pandemic lock downs, it was the BBC that was able to step up, with remarkable speed, to provide high quality educational content for children of all ages. The scale of that response could not, and would not, be funded commercially. At the same time - and while the BBC also faced 'work from home rules' - the BBC was providing, across all of its platforms, a national media response to the public health crisis, linking with scientists, government and statisticians to provide essential information and wellbeing support.

All of this is possible because of the way in which the BBC is funded, directly by the UK population. This direct connection enables a level of accountability to the public that no commercial broadcaster or SVOD could ever have and is central in fulfilling its role within a democracy.

3. What principles and priorities should inform the choice of the BBC's funding model? And how would any alternative funding models affect what the BBC can provide?

The PMA continually [reviews](#) and reports on the funding models used by public media organisations worldwide. PMA would be willing to provide further, more detailed, information about the range of models that have been adopted by public media internationally if invited to do so by this Inquiry. Context is always important but funding models do invariably impact any public media organisation.

The choice of an ongoing funding model for the BBC should be informed by a review of the funding models used worldwide for public media which, although dependent on context, are diverse and include; government subventions from general taxation, [these frequently do not allow for sufficient independence from political interference and, due to the short review periods, have a substantial impact on the ability of the organisation to plan ahead and innovate], limited commercial funding via advertising or sponsorship [this inevitably has a negative impact on the audience experience and can influence editorial priorities], trusts and foundations or in the case of Thai Public Service Broadcasting, a tax on alcohol and tobacco consumption [which can fluctuate dramatically and limits growth].

The primary challenge for the UK with regard to the BBC is how to fund media independence in a divided society. Yet it is that same independent media space that may be the key to healing divisions within society. The key priority for the BBC's funding model should be to provide a direct link between the citizen and the BBC as this is central to building and maintaining audience trust across political divides. This direct link is also critical for accountability and

transparency, especially during elections. It is a model that has been replicated throughout Europe and beyond because it is effective. There are examples of this direct fee being altered to reflect changing media technologies, Germany moved to a household and institutional public media tax in [2013](#) in order to reflect the fact that public media is no longer easily linked to TV reception. Others, such as the [Scandinavian countries](#), have a separate and distinct tax collected from individuals, alongside other national taxation, but the principle remains the same—a direct link between public and PSM.

In brief, the BBC's existing funding model is considered worldwide as one of the most successful for providing the strong and stable funding required to enable the BBC to continue in its existing, publicly accountable, and world leading role.

A subscription funding model is sometimes proposed for the BBC, but this would breach the BBC's inherent requirement, as a PSM, to be universally accessible. In other words: freely available to all members of society at the point of use rather than solely catering for those that can pay. It should also be noted that despite the prominence of streaming giants such as Netflix, their funding models are not secure.

The BBC also adds significantly to its income with its commercial revenue, especially the sales of content internationally. BBC Showcase, an annual event in Liverpool, attracts more than 700 buyers from all over the world and contributes an estimated £1m to the local economy of Liverpool each year. At an organisational level, the BBC's commercial arm, BBC Studios, made [£1,255m of sales](#) in 2020/2021, with £137m of returns to the BBC. At present this compliments the licence fee and enables greater value for licence fee payers. It is potentially possible that removing direct levels of public funding would disincentivise this reinvestment of commercial income into content of high public value.

Any decision on the future funding model of the BBC should first and foremost consider the impact it would have on the BBC's ability to offer and maintain an independent, accountable and high quality service on behalf of the public.

4. How should the BBC change over the next five years to adapt to evolving consumer habits and needs—and what does the Corporation need to do to prepare for the future in the longer term?

The most critical factor to ensure the BBC is 'fit for the future' and able to continue in its world leading role, is to ensure that it has strong and stable funding. Public funding remains essential for the BBC's independence and enables it to innovate and respond to evolving audience habits and needs. The current model of direct public funding enables it to do so, while providing relevant, original content across the breadth of the UK's regions and for its diverse population. This public funding is also substantially supported by significant sales of the BBC's high quality content, ensuring that UK citizens derive great value from the BBC Licence fee.

To continue to ensure that it serves the entire nation, the BBC should also continue to invest in creative clusters across the UK, maximising the growth of

UK talent, the benefits of the English language and the UK's creative excellence. It already has firm plans to do this with its ambitious [Across the UK](#) initiative launched in March 2021.

5. What actions and consultations are needed from the government to inform its future BBC funding plans?

The government needs to engage in wide public consultation and engagement in order to inform any decisions it makes to the future funding of the BBC. Any consultation must include reaching out to diverse audiences and groups within the UK community with the realisation that the debate can be distorted by those that 'shout' loudest via social media. Whilst there are vociferous calls to 'defund' the BBC, research continues to demonstrate that almost 100% of the UK population engages with the BBC on a monthly basis. Like many other public services, the BBC is too frequently overlooked and disregarded because it is simply just 'there', part of our DNA as UK citizens. Meanwhile, the world looks on in envy.

As democracy is increasingly threatened by the global spread of both populism and authoritarianism, the most positive action that the government could take to support the BBC, would be to engage in a media and information literacy campaign to ensure that there is better public and political understanding of the role that public media plays in democratic society. This should highlight the significant contribution that the BBC makes to the UK economy and employment sectors.

Neither can the outstanding international reputation of the BBC World Service be ignored. Its significance to the reputation of the UK on a worldwide level cannot be underestimated or undervalued.

In conclusion, the benefit that the BBC, as a world leading public media organisation, brings to the global reputation of the UK must not be ignored and all for a little over 40 pence per day, per licence.

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