

Liam Halligan, Columnist and Broadcaster—supplementary written evidence (BFF0062)

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

Following the oral evidence I gave before the committee earlier this month, I am pleased to provide this requested follow-up note, seeking my thoughts under three headings below.

This note is written in a personal capacity and in no way reflects the view of any organization that employs or has employed me in the past.

- **Are the existing principles underpinning the existing funding model the right ones?**

I'm a firm believer in centrally-funded public service broadcasting. That's because I remember what public service broadcasting did for me. As a child, growing up in a house with few books, the BBC was a hugely important part of my cultural and civic education.

I don't want to "privatise" the BBC or scrap state finance entirely. I hope and believe the BBC's existing model – which has been successful over many decades, generating vast societal benefits – can be adapted for the digital age. But after years of groupthink and entrenched resistance to change from within the BBC, serious adaptation is needed.

Historically, the BBC's best defence against change has been high levels of public approval. But a recent Ofcom report suggested only 54 per cent of the population view BBC News as "impartial".¹ There is also widespread support, particularly among 18-30-year-olds, many of whom rarely watch television, for the licence fee to be scrapped. With Netflix, Amazon and others offering digital subscriptions across multiple devices, viewers of all ages increasingly view a regressive TV ownership tax as absurd.

Streaming and subscription technology are to broadcasting what the motor car was to the horse. The licence fee in its current form is way past its sell-by date. We must move decisively to a more balanced mixed-funding model, with state finance retained to secure certain public service functions, but significantly reduced over time as the BBC shifts towards a significant share of commercial revenue.

My preference would be eventually for the BBC's core funding to come from general taxation, with such funding enshrined in law, as the government has proposed for the NHS. The licence fee criminalises tens thousands of people each year, many of them vulnerable, with some ending up in jail – there must be a better way. Payment for public service broadcasting should be progressive,

¹ https://www.ofcom.org.uk/data/assets/pdf_file/0021/207228/third-bbc-annual-report.pdf p.6

with the less wealthy paying less – and that’s what using general taxation ensures, since many of the poorest household pay no direct taxes at all.

A guiding principle is that the BBC should do less but do it better, not use its vast public subsidy and huge marketing power to trounce what the market already tries to provides, or could provide, crushing creativity and innovation.

- **Should anything be changed around the principle of universal access, and everyone paying the same?**

The BBC has made important digital investments over recent years – not least iPlayer – as it has sought to compete with the streaming giants. The Corporation now needs aggressively to pursue new revenue sources – including premium charging for exclusive content on iPlayer, not least overseas, launching more big studio co-productions while forging new global markets in BBC education services.

Alongside subscription and digital delivery payments for entertainment, public service output should continue to be freely accessible in the UK - ring-fenced and financed by subsidy. Protected content might include CBBC and Cbeebies, plus Bitesize – a vital educational resource – and free-to-air broadcasting of certain sporting “crown jewels”. Many parts of the BBC Network Radio also represent outstanding value for money and should be retained – although, with their huge audiences, Radio 1 and Radio 2 could easily become commercial.

The BBC could raise a great deal of commercial revenue – whether through advertising, subscription, selling formats or its enormously valuable archive. Stripped of its statist torpor, still with some public funding but imbued instead with much more commercial energy, the BBC could combine largely self-financed public service broadcasting with ongoing mass appeal – continuing to produce via a hybrid model high-quality programmes that the market would not make.

- **To what extent should one of the BBC’s primary objectives be to provide a form of ‘national glue’ that binds different sections of society together?**

That BBC broadcast journalism of my youth strove to be impartial. It encompassed and – crucially – treated as valid a wide range of outlooks, including those I heard in the pubs and working men’s clubs where my friends and family socialised. That helped me to believe that Britain was a truly open society. It also convinced me that someone from a non-professional household, with no media connections, could realistically aspire to become a national broadcast journalist.

Today’s BBC news and current affairs output puts out another vibe entirely. “Metropolitan liberal” thinking not only dominates the output – it is presented as the only acceptable point of view. Millions of licence-fee payers with different but widely-held and thoroughly decent instincts across a range of issues, stemming from their respective backgrounds and experiences, feel not just unrepresented but patronised – while forced by law to pay for such coverage. Little wonder they’ve been switching off, getting their news elsewhere.

The “BBC view of the world” has been promoted ever more vigorously, even aggressively, since the 2016 European Union referendum. Some reporters and presenters – mistaking Twitter “likes” for truth – have abandoned impartiality altogether. A suffocating monoculture now grips not only BBC journalism but has spread to a broader range of output – including comedy, entertainment and, increasingly, drama.

Almost all BBC insiders wave away the need for genuine change. But it strikes me – and millions of others – that by failing to reflect a broader range of reasonable views and outlooks, the Corporation has become a source of, rather than a bulwark against, political polarisation. The BBC’s “national glue” has become well and truly unstuck.

The BBC’s ongoing reluctance to tackle long-standing concerns about “metropolitan bias” have been echoed by countless senior staff, often after they have left. John Humphreys has criticised the BBC’s “institutional liberal bias”. Jeremy Paxman points to a “metropolitan-elite” outlook – “to not recognise this,” he says, “is just silly”. Roger Mosey, former Head of BBC TV news, has acknowledged that “in recent years, metropolitan journalistic perspectives have shut out too much of the perspective of the rest of the country”.

Over the quarter of a century that I’ve worked in the media, the ethnic- and gender-diversity of BBC journalists, both on- and off-air, has improved markedly. This is welcome and long overdue. Yet when it comes to the diversity of socio-economic background and opinion among key editorial staff – surely, in a democracy, the most important diversity of all – our national broadcaster has gone backwards.

Out-of-touch bien pensant attitudes increasingly determine who the BBC employs, promotes and the news output delivered. Entrenched groupthink has generated often bland and disparaging news and current affairs coverage, just as digital technology has provided much greater choice across multiple devices - severely weakening the case for the licence fee. On top of that, the lack of cognitive diversity among senior journalists and executives has meant, on major issues – not least Brexit – the BBC has seriously misjudged the national mood.

The lack of cognitive diversity at the BBC has helped fuel the broader “culture war” – resulting in a fierce political battle over the Corporation’s very existence. The BBC now faces vital funding negotiations amidst increasingly vociferous calls for public subsidy to be scrapped entirely – which would be hugely unfortunate.

What’s needed are careful deliberations between the BBC and government, agreeing reforms and funding streams to ensure the BBC survives the digital onslaught, while safeguarding cultural assets of huge national significance. This is a complex task, involving countless vested interests. Constructive negotiations were always going to be difficult. But amidst a culture war – caused in part by the BBC’s ongoing failure to tackle impartiality issues – such negotiations are even tougher.

Rather than escalating this fight, BBC leaders needs to stop sniping, grasp uncomfortable realities and acknowledge that, both technologically and

politically, major reforms and restructuring are inevitable. Cool, rational thinking is needed – for a great deal is at stake. Wise heads must prevail.

Shifting consumer behaviour means long-delayed reforms to the BBC's structure and funding mechanism are now urgent. But the heady post-Brexit brew of intense paranoia in one camp and political spite in the other means negotiations between the BBC risk becoming dangerously destructive.

It's vital, then, that the BBC leadership becomes less defensive and engages fully, taking the lead by putting serious, coherent reforms up for discussion. This is a unique, extremely valuable institution, bound up with the identity of this country – potentially with many successful years ahead.

The BBC should indeed seek to regain its historic role as our "national glue" that binds together the UK – a country that embodies diversity in its widest sense, including socio-economic and cognitive diversity.

But it would be a major strategic error for the BBC to dig in, clinging on to the existing licence fee for as long as possible, until government patience snaps – and a far more extreme alternative is angrily forced upon it, sweeping away vast swathes of its public service remit.

Change is inevitable, so the BBC must embrace and try to shape it. It is far more likely that high-quality independent broadcast journalism can be preserved, and other key aspects of public service broadcasting, if the BBC demonstrates that it understands bold moves are needed to secure the Corporation's digital future, while tabling proposals to make them happen.

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