

Written evidence submitted by Dr Catriona Noonan

Submission to the Digital, Culture, Media and Sport Committee inquiry into 'The future of public service broadcasting'. 29th May 2020.

Submission by Dr Catriona Noonan, Senior Lecturer in Media and Communications, Cardiff University

Summary

- Embedded in the ethos and provision of Public Service Broadcasting (PSB) are multiple forms of value, not least within and for the nations and regions of the UK.
 - This value to the nations and regions includes commissioning original content from the local independent production sector and providing audiences with content which reflect their community and their specific socio-political reality.
 - This value of PSB also means providing dual provision in Welsh and English language where there are very limited commercial alternatives.
 - PSBs are directly accountable to a national and regional remit distinguishing them from many other parts of the media landscape.
 - They have an ability to enact positive change. This was evidenced during the Covid19 crisis by their timely strategies for commissioning and local spend.
 - The Covid19 pandemic has impacted public funding, consumer income and the advertising market. This represents a further financial challenge to public service broadcasters who have the responsibility and burden of delivering *both* high-quality linear services and user-friendly on-demand services. A funding crisis for PSBs must be averted through a transparent and fair negotiation of the current arrangements in order to future-proof the mixed broadcasting ecology of the UK.
 - Following the pandemic, PSBs will have a key role in ensuring that the gains made through previous policy imperatives (such as the nations and regions quotas, equality, diversity and inclusion targets, and green production practices) are not lost.
-

Over the course of this inquiry, the committee will hear evidence from a range of stakeholders regarding the value and future of public service broadcasting. This submission focuses on one area which is pertinent to the aims of the inquiry and which should be read in conjunction with other submissions: *the role of public service broadcasting within the nations and regions*.

Value of PSB to the Nations and Regions

1. Economic Value of PSB to the Nations and Regions

Local commissioning, public accountability, and structured training opportunities are just some of the ways that PSBs contribute economic value to the nations and region. The out-of-London sector has grown and matured because of the long-term investment in the independent sector by the UK's PSBs.

In Wales this structural capacity includes large-scale productions for publicly funded broadcasters such as *Doctor Who* and *His Dark Materials*, and mid-sized returning series (e.g. *Pobol y Cwm*, *Casualty*). Our research found that while mid-sized dramas are more likely to be for a domestic audience, they play a vital role in up-skilling workers and giving financial stability to production companies and freelancers (McElroy and Noonan 2016; 2019). This stability is essential in a sector characterised by inequalities, precariousness and risk (CAMEo 2018; Conor et al 2015; Friedman et al 2016; Wing-Fai 2015).

According to Ofcom research (2019) PSB nations' and regions' spend on first-run UK-originated content in 2018 was relatively steady with a total decrease of £9m since 2016, equating to a decline of 3%. Like overall network spend, nations' and regions' spend has had a similar trajectory of decline over time, with a 26% (£99m) decline in real-terms spend compared to 2008, when spend was as high as £379m. This decrease in spend is concerning and directly attributable to the downward trend in PSB revenue.

It is the investment from PSBs, through their diverse commissioning strategies which helps to support the long-term sustainability of the creative economy in the nations and regions. Any changes in the provision and funding of PSBs will have a significant and direct impact on the sustainability of the creative labour market and the indie sector, in particular smaller independent production companies and freelancers.

The recent experience of the Covid-19 crisis demonstrated how critical the interventions from public service broadcasters are within national and regional creative economies. As production ground to a halt, there was a substantial knock-on effect for the freelancers across the UK, including the 40,000 freelancers working in the Welsh creative industries. Research by Creative Cardiff (2020) reported that 85% of freelancers reported that their work either decreased sharply (25%) or, most commonly, dried up completely (60%) immediately after the announcement of the lockdown. Public funding, via PSBs and arts councils, became a vital and welcomed resource for many companies and freelancers. For example:

- BBC Wales announced a funding 'to turbo-charge TV development projects such as drama and comedy with an eye on future schedules beyond 2020'. This was part of a wider package of measures to support indies and with an emphasis on those in the nations and regions.
- Channel 4 also committed to ringfencing funding for small, nations and regions-led and BAME-led independent producers to the value of some £5million.
- S4C announced a rapid commissioning round in April 2020 in which new programmes and series worth millions were funded. These would be broadcast before the end of July.

These rapid and substantial interventions by PSBs were a much-needed investment in the sector at a time of crisis and will directly contribute to the recovery of the creative sector and its supply chains across the UK.

2. Cultural and Civic Value of PSB to the Nations and Regions

Addressing the public values of PSB, Allan (2019) points to 'its daily reaffirmation of common civic values in a time of 'fake news' and 'filter bubbles'' and underscores its vital contribution 'to enhancing mutual understanding and dialogue in public life'. PSBs remain a trusted source of news in the digital age, a value borne out in Ofcom research. For instance, during the Covid19 crisis BBC

services were the most-used source (by some margin) during the first three weeks of the crisis with four in five (78%) saying they used the BBC as a source of news/information (Ofcom 2020). Although there were fluctuations across the period of the lockdown, public broadcasters remained consistently the most trusted providers of information and news related to the crisis.

However, there remains a crisis in news journalism especially at the level of regional, local and community provision. As Professor Karin Wahl-Jorgensen (2020) argued in her submission to the House of Lords inquiry on *The Future of Journalism*, there is an overriding existential challenge to the future of news provision and this will be further exacerbated by the economic fallout from the coronavirus pandemic. At the time of writing, the UK's newspaper industry has already seen a drastic reduction in print distribution and advertising income as a result of the crisis.

In the Welsh market, the value of publicly funded bodies is even more pronounced as commercial news journalism in Wales is in decline (Culture, Welsh Language and Communications Committee 2018). Print circulations of Welsh newspapers have dropped sharply over the last decade leading to job-losses, mergers and newspaper closures. While this problem is not unique to Wales, the impact of these trends is disproportionate in Wales as the indigenous media sector is smaller and less diverse than that of the rest of the UK (ibid). Without PSBs and the local news capacity that they provide and support, Welsh civic society would be significantly diminished.

Beyond news provision, public broadcasters have also responded quickly to the social needs of our communities and to the realities of life in lockdown. These included S4C's Ffit Cymru as a multi-platform series to keep viewers healthy, Channel 4's cooking and arts outputs, and the BBC's expanded education offering which brought 14 weeks of educational programmes to every household in the country. For many people in lockdown PSBs were their only route to arts, cultural, educational and religious content. The experiences of many during the lockdown offers further weight to the centrality of the principles of universality and plurality in the broadcasting system.

3. Value of PSB to the UK's minority-language communities

The UK's minority-language PSBs, S4C and BBC Alba, play a vital role in sustaining linguistic vitality and cultural diversity. The current media landscape and its technological infrastructure renders many non-anglophone languages and cultures invisible. This is part of the rationale for a Cornish Media Service: Gonis Media Kernewek (GMK) to be established - an argument laid out in recent research by Monk et al (2019). At the moment amongst voice activated devices Siri speaks 21 languages, Microsoft's Cortana speaks 8 languages, Google Home supports 13 and Amazon's Alexa supports 8 languages (Globalme 2020). The digital ecology is overwhelming anglophone and this has direct implications for the discoverability of non-anglophone content, especially minority languages. Therefore PSBs, through their scheduled content and online resources, become a central way to ensure that Welsh, Scottish Gaelic and their associated cultural identities are not susceptible to 'digital extinction'.

A Funding Crisis Must be Averted

The public service funding model has adjusted considerably over the last decade. Portions of the licence fee have been re-directed in support of government priorities including digital switchover, local reporting, and free licences for the over 75s. It is also worth noting that developing an effective

on-demand service is not cost neutral and has been a substantial investment for all PSBs. It requires the additional skills and infrastructure of online media to be implemented within a broadcasting system. Therefore, PSBs have the responsibility (and additional financial burden) of delivering *both* high-quality linear and user-friendly on-demand services. PSBs will have to deliver linear *and* online services for a considerable period of time, absorbing these as long-term costs. As the experience of Covid19 illustrated, there is immense importance in creating shared public spaces and to overcome some of the digital inequalities that exist in the UK (Allmann 2020; Bowyer 2020).

The immediate future also represents a challenge for PSBs to do even more with less. There will inevitably be a negative knock-on effect from the changes to commissioning and development budgets instigated during the Covid19 crisis. It is likely that when things return to normal there will be unanticipated gaps in the budgets of PSBs. Therefore, a robust approach to the future funding of PSBs is essential and here I concur with the House of Lords (2019) report which argued for a review of the system to ensure that it is fair, transparent and appropriate.

This financial sustainability is needed even more within the regions and nations of the UK. These areas are likely to more acutely feel the adverse effects from a Covid-related recession and from the possible disruptions associated with Brexit. The economic impact of both of these critical events will not be felt equally across the UK and may well exacerbate existing regional inequalities (Bardalai 2020). A contraction of the economy will impact local labour markets, rates of new creative businesses and perhaps see existing companies cut costs and close offices in an effort to save costs. The economic impact of the pandemic is likely to be felt in the nations and regions for many years and existing structural issues within national and regional media markets (especially in relation to the provision of local journalism) are likely to be amplified. The substantial gains made in building the capacity of the creative economy across the UK are at risk. Therefore, well-funded PSBs are an important element in the recovery and long-term sustainability of the creative economy across the UK.

The Future Funding of S4C must be Secured

The House of Lords report had many good recommendations regarding the integrity of licence fee funding however, it omitted discussion of S4C within that element of the report.

The importance of the one and only Welsh language television channel, S4C, needs to be highlighted at every possible opportunity. It is vitally important that the Welsh language is a visible and vibrant part of the television system in the UK. Welsh language broadcasting offers Welsh speakers and learners the opportunity to hear Welsh being spoken both formally and informally within a range of contexts and on a day to day basis. S4C's slate of original commissions contributes directly to Wales' capacity for delivering high-quality drama while offering content that feels uniquely Welsh (e.g. *Y Gwyll (Hinterland)*, *Un Bore Mercher (Keeping Faith)* and *Craith (Hidden)*). The role played by S4C during the Covid-19 crisis in terms of both commissioning and spend highlights the dual economic and cultural role that it plays for Welsh speakers within and beyond the borders of Wales.

S4C is currently majority funded through the TV licence fee (£74.5m in 2018/19) with some DCMS grant-in-aid funding (ca £6.7m in 18/19) until 2022, when all funding will come from the TV licence fee. The channel commissions most of its Welsh-language content from a wide range of independent

production companies (around 50 annually over recent years), with many of these based throughout Wales. Funding cuts of 36% in real terms over the past decade have had a direct impact on its outputs and strategies. The channel continues to build its relationship with the BBC and evidence of successful areas of collaboration exist. Research highlights the benefits to both organizations sharing resources such as around the production of *Pobol Y Cwm* in the BBC's Roath Lock Studios as part of the statutory arrangement (McElroy & Noonan 2016, 2019). Benefits from this arrangement include the realisation of economic efficiencies and enhanced production values along with the sharing of resources including skilled labour. A constructive relationship between Wales' principal Welsh language media providers amplifies Welsh content and delivers real economic value especially in key genres such as drama and news.

It is essential that there is substantial Welsh language provision in all of these genres in order to serve the diverse needs of the entire community. Therefore, the unique contribution of S4C to the UK's creative and social identity, and the challenges it faces in fulfilling that remit, must be taken into account during discussions of funding arrangements. Any adjustment to the licence fee must take account of the impact to S4C given the current funding arrangements.

Regulatory Obligations must be Reviewed

PSBs are subject to more regulatory obligations than commercial broadcasters. The Public Interest Test, national and regional quotas and public accountability for content commissioned ensure PSBs deliver on their complex and wide objectives. On-demand services do not currently have the same obligations and remain relatively free from regulation by Ofcom.

Public funding is allocated directly and indirectly to international platform services to produce content in the UK, for instance through their use of high-end tax relief schemes. In addition, they benefit from the scale and quality of the UK's independent sector and associated infrastructure – both of which have been greatly supported by the PSBs. For instance, Eleven Film, the independent producer of the Netflix series *Sex Education* has in the past received backing from Channel 4's Growth Fund. International platforms are also beneficiaries of substantial public investment in digital infrastructure in the form of broadband, 4G and 5G, and have not had to invest directly in these services for the benefit of the public in the way that the BBC, for example, did in leading 'digital switchover'.

Therefore, in order to ensure the sustainability of the UK's creative ecology, a greater contribution to that ecology is needed from the SVODs. This could be in the form of a levy or a requirement for investment in local programming, currently under discussion in Canada, Australia and a number of EU countries (Innovation, Science and Economic Development Canada 2020; Simons 2020; Slattery 2019). This could then be directed towards supporting nations and regional production, diversity initiatives and skills training for the benefit of the entire UK creative economy.

PSBs and Wider Policy Goals

Following the pandemic, PSBs must have a key role in ensuring that the gains made through previous policy imperatives are not lost. This includes the gains made through nations and regions quotas – a value illustrated throughout this submission. However, it is also vital that momentum in other areas of policy are not lost including within the equality, diversity and inclusion agenda and in relation to

environmentally green production practices. In both areas of policy there have been some important areas where PSBs have contributed (e.g. to Project Diamond and the Albert initiative). However, as the House of Lords (2019) report highlights there are areas where PSB still need to make progress, especially in relation to BAME representation on screen and in the workforce.

Writing this submission at the time of the Covid crisis has revealed the depth and fragility of our labour markets and the social issues which arise from reliance on short-term labour contracts and production practices which emphasise short-term financial return only. This is a key moment in public policy where gains may be lost in the scramble to build 'a new normal' for communities and our screen industries. PSBs will have a key role in rebuilding the freelance sector and ensuring gains made to combat inequality and climate change (however, contested and sporadic) are not lost.

I thank the committee for the opportunity to submit evidence to this inquiry.

Dr Caitriona Noonan is senior lecturer in Media and Communication in the School of Journalism, Media and Cultural Studies at Cardiff University. In 2019 her co-authored book *Producing British Television Drama: Local Production in a Global Era* was published by Palgrave. Caitriona is currently principal investigator on an AHRC funded project 'Screen Agencies as Cultural Intermediaries', a two-year project that examines the strategies for economic and cultural sustainability adopted by publicly funded screen agencies within small nations (www.smallnationscreen.org).

Interest Statement: The opinions expressed in this memorandum are solely those of the author based on her own professional judgment and research expertise.

References:

Allan, Stuart (2019) "The public values of public service broadcasting". Creative Industries Policy and Evidence Centre. 29 March 2019. Available: <https://pec.ac.uk/blog/the-public-values-of-public-service-broadcasting>

Allmann, Kira (2020) "Covid-19 is increasing digital inequality: We need human connectivity to close the digital divide". The Oxfordshire Digital Inclusion Project. 14 Apr 2020. Available: <https://www.law.ox.ac.uk/research-and-subject-groups/oxfordshire-digital-inclusion-project/blog/2020/04/covid-19-increasing>

Bardalai, Anjalika (2020) "Covid-19 and the UK regions". The CityUK, 22 April 2020. Available: <https://www.thecityuk.com/news/covid-19-and-the-uk-regions/>

Bowyer, Georgina (2020) Time for a rapid response to the digital access challenge. Carnegie UK Trust. April 1, 2020. Available: <https://www.carnegieuktrust.org.uk/blog/time-for-a-rapid-response-to-the-digital-access-challenge/>

CAMEo (2018) Workforce Diversity in the UK Screen Sector: Evidence Review. Leicester: CAMEo Research Institute, 2018.

Conor, Bridget, Rosalind Gill and Stephanie Taylor (2015) 'Gender and Creative Labour'. *The Sociological Review* 63 (2015): 1–22.

Creative Cardiff (2020) "COVID-19 Self-Employment Income Support Scheme: How will it help creative freelancers in Wales?" 20 April 2020. Available: <https://www.creativecardiff.org.uk/news/covid-19-self-employment-income-support-scheme-how-will-it-help-creative-freelancers-wales>

Culture, Welsh language and Communications Committee (2018) "Read all about it: Inquiry into News Journalism in Wales". National Assembly for Wales. Available: <https://www.assembly.wales/laid%20documents/cr-ld11544/cr-ld11544-e.pdf>

Friedman, Sam, Dave O'Brien and Daniel Laurison. (2016) 'Like Skydiving Without a Parachute: How Class Origin Shapes Occupational Trajectories in British Acting'. *Sociology*, 28 February 2016. <https://doi.org/10.1177/0038038516629917>.

Globalme (2020) Language Support in Voice Assistants Compared. Online. 13 May. Available <https://www.globalme.net/blog/language-support-voice-assistants-compared/>

House of Lords (2019) Public Service Broadcasting: As vital as ever. 5 November 2019. Available: <https://publications.parliament.uk/pa/ld201919/ldselect/ldcomuni/16/1602.htm>

McElroy Ruth and Noonan Caitriona (2019) *Producing British Television Drama: Local production in a global era*. London: Palgrave Macmillan.

McElroy, Ruth and Caitriona Noonan. (2016) 'Television Drama Production in Small Nations: Mobilities in a Changing Ecology'. *Journal of Popular Television* 4, 1: 109–127.

Ofcom (2019) Media Nations: UK 2019. Online. Available: https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160714/media-nations-2019-uk-report.pdf

Ofcom (2020) Covid-19 news and information: consumption and attitudes. Online. Available: <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/news-media/coronavirus-news-consumption-attitudes-behaviour>

Monk, Denzil; Browne, Florence; Moseley, Rachel and Berry, Mandy (2019) Ragdres Hwithrans Darlesor Gonis Poblek Kernewek Agwedh Onan – Studhyans Arhwilas Derivas (Cornish Public Service Broadcaster Research Project Phase 1 – Scoping Study Report). Online. Available <https://www.cornwall.gov.uk/media/40498119/cornish-public-service-broadcaster-research-project-scoping-study-report-july-2019.pdf>

O'Brien, Dave, Daniel Laurison, Andrew Miles and Sam Friedman. 'Are the Creative Industries Meritocratic? An Analysis of the 2014 British Labour Force Survey'. *Cultural Trends* 25, 2 (2016): 116–131

Innovation, Science and Economic Development Canada (2020) Canada's communications future: Time to act. January 2020. Available: <http://www.ic.gc.ca/eic/site/110.nsf/eng/00012.html>

Wing-Fai, Leung, Rosalind Gill and Keith Randle. 'Getting In, Getting On, Getting Out? Women as Career Scramblers in the UK Film and Television Industries'. *The Sociological Review* 63 (2015): 50–65.
