

The Rt Hon Tessa Jowell, MP
c/o DCMS, 2 - 4 Cockspur Street
London SW1Y 5DH
10 March 2005

M.H.

BPD

Dear Tessa Jowell,

Promoting Public Value in Broadcasting:
Four Recommendations and A Congratulation

I join what I see as the clear majority of responsible opinion in welcoming the change you have made concerning the governance of the BBC. The new name symbolises the responsibility the Trustees have to society. This is the matter for which I congratulate you (and you may see how pleased I am in that I have been urging this step for over a decade - see attachment A, point 1.

My recommendations spring from the principles set out in attachment A - at point 2.

Figure A - attachment B sets out the structure of regulation established in 2003. Aside from the 'captive governors' problem which you are now putting right, there are crucially important defects in the lines of flow of finance, and of responsibility. The BBC should not have been paying the governors' costs; nor should the BBC (itself) have to pay anything to OFCOM. I am quite sure that Channels 3,4,5 should not at the same time 'owe' some kind of responsibility to OFCOM and pay OFCOM funds. The same applies for Commercial Radio. These observations lead to three recommendations - and to illustrate these see Figure B - attachment C.

*the new BBC Trustees should be paid from the licence revenue (whether directly from the Treasury - better, or via OFCOM - less desirably).

*a further slice from the licence revenue should finance OFCOM - it should be seen by the public as 'our regulator' which we pay for and from which we expect a convincing service of regulation.

*as the BBC will abate its competition for audience size and share (NOTE - not abating its requirement to maximise reach and appreciation), OFCOM will be released to press for high values in broadcasting upon the main commercial channels.

*OFCOM should be obliged to collaborate with the Trustees on systematic assessment of all main broadcasting channels and stations (for example, publishing Appreciation Measurement results) and to support much more 'effects research' than has been done - not only by the precursor ITC, but by OFCOM itself thus far, and to publish the results.

Yours sincerely,

Mallory Wober
J.M.Wober PhD

Department for Culture, Media and Sport	
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Shaping the BBC's future

Mallory Wober proposes some amendments to the BBC Charter which could strengthen both the BBC and British broadcasting in general

IT MAY BE HARD to justify Britain's place on the Security Council, but when it comes to global culture most foreigners acknowledge that the BBC wins pole position for the UK. The two blueprints which might help plan a successful future for Britain's broadcasting industry and culture – the draft BBC Charter and the Broadcasting Bill – have now been published. Both have been reasonably well received in the industry and by critics. Further reduction of the BBC's empire by selling the transmitters has been mooted; there has been talk of tougher controls on taste, and of regional dispersal of BBC production, though not perhaps enough attention to the great sporting occasions.

But do these documents concentrate on useful reforms, and what might some of these be? The Charter will be discussed in both Houses of Parliament, and though Parliament does not have any right of amendment (as with Bills), ideas that arise may possibly be included in the final version.

First, a few fundamentals must be identified. The British public wants the BBC to retain its public service role; this, as a monograph by the Broadcasting Research Unit once pointed out, requires universality and quality. Universality means that the whole nation receives, for a standard stakehold, the prime broadcast offerings. Evidence from the US suggests that even with dozens of new channels



the established 'networks' keep between 50 and 60 per cent of the whole of the nation's viewing – and this is likely to be true in the UK for the foreseeable future. Looked at in more realistic terms – for the next two decades ahead – BBC screen services probably will still reach, as they do now, well over 90 per cent of the public each week, and serve something each user likes or feels is important. Many market analysts ignore radio, but BBC radio now reaches 60 per cent of the public weekly, and it is probable (though accurate figures are not available) that 100 per cent of the public use some BBC service every week.

Some Simple Simon writers see a 'pie in the international sky', of which the British broadcasting industry grabs a major share, and urge that this should be a primary consideration. 'Sophisticated Simons' acknowledge that the world would be more eager to buy our screen products if they admire the brand – and that brand identity has important roots in past and present qualities. Screen and radio products, like sentient beings, are far more complex than cars or white goods, and tempting parallels between aerospace or other hardware industries and the culture of

communications products should be avoided. The strengths of British broadcasting must therefore be recognised and conserved, both for our domestic and our potential international benefit.

The licence

The first step for the Charter is to correctly identify the licence. This is not just 'the BBC's licence' (as any wishful evaders claiming to watch ITV only might find to their cost in court): the licence is really a payment for the use of public service broadcasting from all channels. The money from the licence should be seen to pay for quality control services such as regulation, which keep a level domestic playing field and allow the BBC to do its job, as well as keeping up standards on commercial services.

The licence fee should thus pay for the ITC and the amalgamated Broadcasting Standards Council and Broadcasting Complaints Commission – 'redressor' bodies whose responsibilities apply to complaints concerning all channels. To parallel the autonomy of the ITC, the Corporation's Governors should be taken outside of the BBC; the management of the BBC should be performed (as it no doubt already is) by the Board of Management. The Governors should more conspicuously be the agents of the public interest. The incoming Governor, Sir Christopher Bland, has valuable experience at the IBC; the importance of this body was its independence – not just from the BBC (which was perhaps the first meaning of the word) but also from the ITV companies and C4. The new Governors should have their own staff but, more importantly, they should have a research unit. Essentially, this should provide ➔

'The money from the licence should be seen to pay for quality control services such as regulation, as well as keeping up standards on commercial services'



A distinguished past member of the BBC Research Department, Mally Wober is now an academic with the television production department of Bournemouth University.

continuous systematically-sampled public reaction information.

The nucleus of such a research unit already exists – called BARB, it is co-owned by the BBC, ITV and Channel 4. One of BARB's two major operations is to run a Television Opinion Panel. The panel measures *appreciation* levels for all TV programmes broadcast, and collects much more detailed reactions to specific selected programmes. While this work is half-funded (through the BBC's purse) by public money, the information it delivers is kept secret. There is no justification for this. The panel should instead measure the *perceived quality* of each programme, and should provide the information in full to the Corporation's Governors, to the ITC and to the BBC/BSC amalgam. Abbreviated information, like the current 'top tens' by audience size, should be published.

The procedure would be analogous to that underpinning the Charter Mark in other service industries, in which objective measures (percentage of trains on time, numbers of burst water pipes per year) are supplemented by subjective ones (like surveys on service quality and water taste). At the moment, too much attention is paid to measures of inter-generational diversity-as-quality (as though Asda selling 10,000 lines is a 'better' outfit than, say, Fortnum & Mason which may offer 5,000 lines). Too much attention is paid to evidence of financial and personnel investment commitments as supposed indicators of prospective quality – anyone falling into this intellectual trap should remember the £10 million swallowed up in the crevasse of *Eldorado*, and the earlier, less conspicuous, £2 million débâcle of *Albion Market*.

If they wished, the broadcasters could continue to measure (confidentially) appreciation, but with a separate, new panel. It is well established by research that, while appreciation and perceived quality are often similar, they are also often very different, so the ITV companies (for it is they who are shy of publication) could continue to

withhold secrets about affection for their products, while the public and regulators are provided – as other service industries are – with quality measures. The product of the Television Opinion Panel is not just the AI scores for programmes, but also a large sampled omnibus carrying around ten studies per week across the year – the market value of this alone must be close to £5 million. For all their complaints and over expense, the panel probably accords its patrons a value that is twice its cost.

If these steps were taken by the new BBC Charter and the Broadcasting Bill they would be widely understood and appreciated. We



know that part of the £200 million shortfall in the £1.8 billion target licence revenue is due to poverty; but part is lost because of opposition to the BBC's 'dedicated tax'. This might be significantly reduced by a sum similar to the cost of the research, funding the Corporation's Governors, ITC and redressors, and subsidising truly penurious households, all of which should not exceed £100 million a year. The reforms might thus pay for themselves. The BBC would still receive the bulk of the licence fee revenue for programme-making, and probably would receive more than it does now. The public and the critical community would both appreciate a new language of assessment that speaks in terms of quality rather than quantity (such as the current audience size measures, which are thought, wrongly, to denote merit). It would have to be explored through research, but it is possible that the public might be willing to pay a bigger licence fee

that would not only do what has been set out above, but also carry the BBC World Service budget. The BBC could also be allowed to operate its transmitters as a money-making business (just as its publications arm does), instead of having to sell them.

A little-known feature of the 1990 ITC Act requires the ITC to carry out research into the effects of programmes on viewers' attitudes and behaviour. Did *Cracker* give viewers' correct or distorted ideas of what psychologists do? Do the lesbian portrayals in soap operas promote greater understanding? Did the Mother Theresa programme change people's ideas about her? As for the BBC's products, did the *Monarchy* mini-series, and the *Panorama* special on Princess Diana alter attitudes towards the monarchy? What of the retrospective series on the Gulf War? In future, the Charter should require the same approach for the Corporation's Governors as the Broadcasting Act expects of the ITC. The results of such studies should most certainly be published.

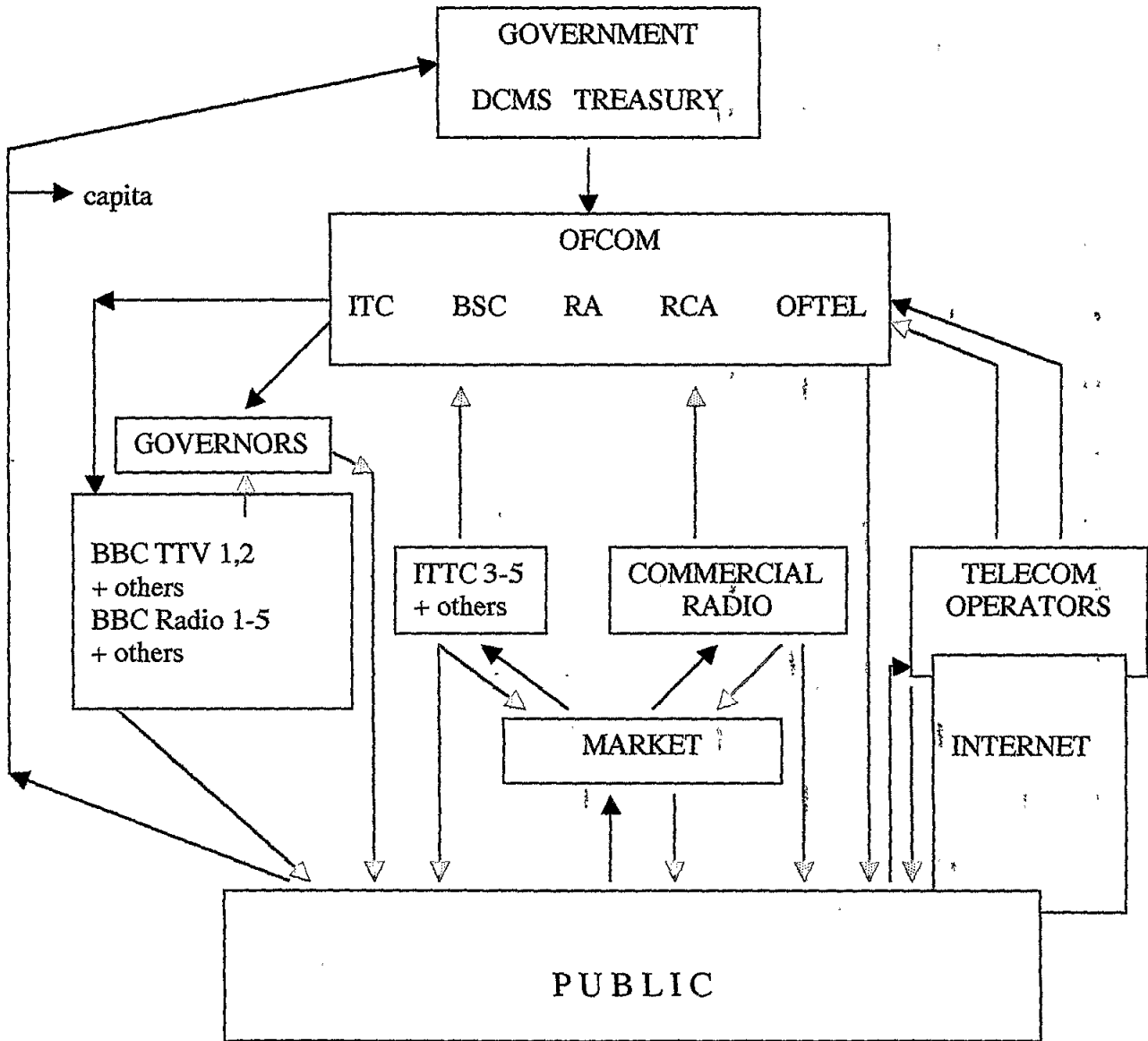
In summary, both the draft Charter and the Broadcasting Bill miss important changes that could and should be made. The new Charter should externalise the Governors, so that they speak for the public rather than from the BBC; broaden the uses of the licence; reconsider the scope of the BBC's potentially money-making activities, including its transmitters and engineering research; rethink the role and financing of the World Service; deepen the research activities of the regulators, and make their results more public. These measures would strengthen the BBC nationally, and as an internationally-recognised brand, both culturally and commercially. Similar benefits would also accrue to the other terrestrial channels. ■

'Too much attention is paid to evidence of financial and personnel investment commitments as supposed indicators of prospective quality'

FIGURE B

PROPOSED STRUCTURE FOR MASS MESSAGE SYSTEMS

J.M.WOBER 2001 - 2004



KEY

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money

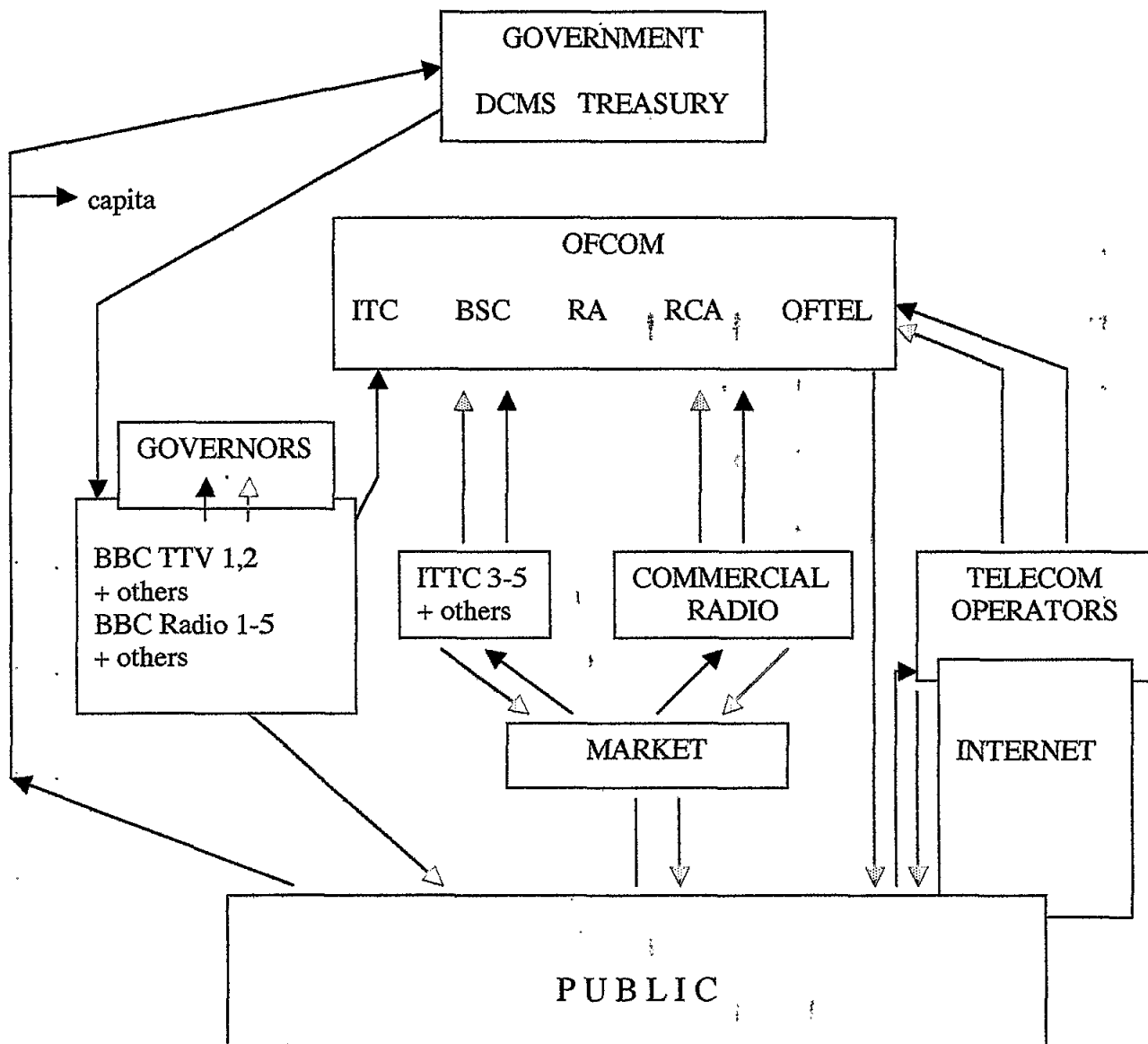
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services & duties

FIGURE A

STRUCTURE FOR MASS MESSAGE SYSTEMS

Communications Bill 2003



KEY



money

services & duties