

'Response to "Sustainable independent and impartial news: in the Nations, locally and in the regions" (London, DCMS, June 2009)

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The CPBF was established in 1979. It is the foremost independent organisation campaigning for more diverse and accountable communications in the United Kingdom. It has mounted campaigns and intervened on issues such as media representation, Right of Reply, public service broadcasting, media regulation and media ownership. Its membership consists of individuals, trade unions and community organisations. Details of its more recent activities are at www.cpbf.org.uk. This document responds to the consultation questions in the document.

Do you agree that securing plural sources of impartial news for the Nations, locally and in the regions should be a key priority?

1. The Campaign supports the provision of plural, impartial sources of news in the Nations, locally and in the regions. News services which compete with the BBC and local news providers are essential to developing plurality. The Campaign, however, does not agree that this matter can be viewed in isolation from the provision of non-news programming.

2. The problem of news and non-news programming in UK TV has arisen because of the policy context within which ITV has operated since the 1990 Broadcasting Act and in particular since the 2003 Communications Act. The media regulator, Ofcom has allowed ITV to successively withdraw from its overall obligations to the public, in the name of preserving ITV's commercial position.

3. ITV is well positioned to play a major part as a commercial, cross platform distributor and producer of programming with the bare minimum of public service requirements. It still has a massive reach across the UK; it has a reliable and prominent brand; it has strong and growing digital channels; it is about to benefit from the likely removal of restrictions on product placement about which the government will consult, a policy reversal to which the Campaign is strongly opposed. Ofcom has not acted vigorously enough in seeking to enforce ITV's contractual obligations.

4. ITV should be required to state whether it is prepared to fulfil its present obligations and to return them as soon as possible to former levels. If it does not want to do that, Ofcom should use its powers to re-advertise the contracts, with a new set of criteria, with a raft of public support for the medium term and with terms that guarantee transfer rights to the staff to the new franchisee. Any new provider should be commercially funded but organised as a non-profit making trust. This, or some similar option, should be a matter for serious consideration by the government. It has the merit of dealing with the problem in a rounded fashion, rather than the limited way proposed in the IFNC proposal.

Do you agree that sustainable, impartial news in the Nations, locally and in the regions is likely to require some top-up public funding?

5. Public service content has always required public intervention (1954 Television Act) or publicly sanctioned funding (licence fee, monopoly of TV advertising). Thus, if there is to be plurality of news in the nations and regions, news that is impartial, high quality, independent and universally available, then public intervention is needed.

Do you agree that the Television Licence Fee should be used to support impartial news in the Nations, locally and in the regions in addition to BBC services?

4. The Campaign opposes the use of the licence fee to support IFNC's. Using the licence fee will set a major precedent. The fact that is part of the 'digital premium' and not the 'core' of the fee is not relevant to the argument. The *political* precedent will be set and there will be more calls in the future from those who have interests in getting their hands on the money or undermining the BBC as the centre of UK public service communications. The fact that the next consultation question raises this point is testimony to what is likely to happen: *'Do you agree that any funding within a contained contestable element of the television licence fee not required for impartial news should potentially be available to fund other forms of essential public service content, or should such funding be limited to news?'*

5. The priorities for the government should be strengthen and extend public service content in the digital age. Initiating a policy that will weaken one key element in the ecology is not the way to achieve these ends. This is not the case of defending the status quo for the sake of it. The Campaign has been very critical of the BBC over the years. We do, however, think that the economic model provided by the Corporation is one of the best ways of ensuring that the cultural and democratic values of UK society are properly nurtured in the future, in a manner that responds not to market forces but to social pressures and creative impulses. Arguably the market has singularly failed to match the range and quality of public service provision since the re-regulation that followed the 1980s, and now is not the time to try to remedy that failure by undermining the BBC.

7. If money is used from the licence fee how will the organisations that use it be made accountable? Involving the BBC Trust in this process will add layers of bureaucracy to the Corporation and implicate the BBC in the process of slicing off chunks of the licence fee for commercial ends. Where will that stop? Ofcom's track record in regulating ITV's local and national news is so poor that it cannot be taken seriously as the body that would deliver high quality content. If it were it would cost money, and where would that come from?

8. *Are there Alternative funding mechanisms that you believe would deliver the above objectives more effectively?*

9. There are now a host of options that could be deployed to deal with this problem. They involve financial tools and changes to the structure of commercial public service broadcasting in the UK.

10. Ofcom has already identified a number of regulatory options (spectrum charging, EPG position, advertising minutage, etc) but there are other options that could be explored to see how they could help fund the development of public service content.

11. The IPPR has recently published a reportⁱ (IPPR, 2009) which details a range of options open to the government for raising sums to fund content which **do not** involve the licence fee. They include levies on recording equipment or blank media, on pay TV revenues and on mobile phone operators.

12. ITV's brand and its archives were created with the aid of public support (access to spectrum and advertising monopoly). The government should investigate ways of bringing some of the future profits from those two sources back into the system. We expect that the BBC's archives and brand should be used in the public interest and this should also be the case with ITV.

13. As we predicted many years ago, the independent production company sector has moved towards consolidation with a few very big companies dominating the market. As well as undermining the thinking behind the quotas imposed in the 1990s, where one idea was the need to promote diversity of content and employment opportunities, it has meant that a major sector has benefited from the out-sourcing of public money, under direction from the government. The benefits this has given to the major independents have been considerable and therefore they should be required to contribute money towards the future development of public service content.

14. The Campaign has always opposed the auctioning of spectrum. This is a wasteful use of public resources. The spectrum released after digital switchover could, were it leased on good terms, provide a valuable stream of income for public service content.

15. What is needed is systematic research into this issue, building on work by Ofcom and bodies like the IPPR. The Campaign considers that there should be a properly resourced, independent, inquiry into sources of funding for commercial public service content. This should be established as a matter of urgency.

Independently Financed News Consortia

16. The Campaign would prefer that the problem of diverse, plural and impartial news was dealt with by addressing the issues relating to ITV addressed above. We recognise that the government however seems strongly wedded to the idea of the IFNC option.

17. If the government is to go ahead with this it needs to:

- [a] use sources of funding *other than the Licence Fee*, as outlined above;
- [b] organise any IFNC's as non-profit distributing trusts with a public presence from each region on each trust;
- [c] oblige ITV to take the programmes at fixed times in the schedule;
- [d] ensure that ITV's news staff have first option in taking up jobs in the new consortia;
- [e] ensure that the specifications for the contracts are of the highest standards;
- [f] establish a separate a trust, with a wide body of elected members, to monitor and supervise these bodies, with powers to keep them to their contractual obligations;
- [h] impose strict regulations on impartiality and objectivity;
- [g] commission a genuinely independent review of their performance after one year of operation.

Broader policy options

18. The study of alternative sources should aid the construction of sense of what levels of funding could be developed to sustain non-BBC commercially supported public service content.

19. With this in mind one of the options available to the government would be to reconstruct and re-advertise the current ITV contracts, bearing in mind the new financial situation after digital switchover, with a view to creating a new public service, commercially supported, content provider across major platforms.

20. This could be done by making the body which oversees it an independent trust, charged with sustaining a viable public service alternative to the BBC. There may be a need for start up money from the government for this project. The government already funds S4C directly and nobody has argued that this has led to S4C being subservient. The monies from other sources could also be conceived of as seed funding, with a view to making the organisation self-supporting in the future. Were this to be the chosen option, the role of Channel 4 would have to be considered so as to ensure that its role in producing distinctive programming is not undermined.

There are alternatives.

21. The Campaign is therefore opposed to using the licence fee to fund IFNCs. It considers the IFNC proposal unsatisfactory relative to other forms of intervention available. We urge the government to think outside of the current parameters of policy thinking, parameters largely set by industry lobbying and Ofcom, and consider the alternatives that we have put forward.

CPBF

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ⁱ IPPR (2009) *Minding the funding gap. The potential of industry levies for continued funding of public service broadcasting. An IPPR report for Bectu and the NUJ* (London: IPPR, March).